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IN THE

Supreme Court of the United States

OCTOBER TERM, 1996

ILLINOIS HIGH SCHOOL ASSOCIATION,
Petitioner,

v.

GTE VANTAGE INCORPORATED,
Respondent.

Petition for a Writ Of Certiorari to the United States Court of Appeals for the Seventh Circuit

PETITION FOR A WRIT OF CERTIORARI

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47 pp

QUESTIONS PRESENTED FOR REVIEW

1. Whether, under the rubric of a new "dual-use" trademark, a senior trademark owner must share its trademark rights with a third party with whom the public comes to associate the mark.

2. Whether the media's First Amendment protected use of a trademark can divest the trademark owner of its rights and transfer those rights to a third party.

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, Petitioner Illinois High School Association states that it is a not-for-profit association, and has neither a parent company nor any non-wholly owned subsidiaries.

TABLE OF CONTENTS

	Page
QUESTIONS PRESENTED FOR REVIEW	i
RULE 29.6 STATEMENT	ii
TABLE OF CITED AUTHORITIES	iv
OPINIONS BELOW	i
JURISDICTION	2
STATUTORY AND CONSTITUTIONAL PROVISIONS INVOLVED	2
STATEMENT OF THE CASE	3
A. Factual Background	4
B. The District Court Proceedings	5
C. The Seventh Circuit's Decision	5
REASONS FOR GRANTING THE WRIT	7
I. THE SEVENTH CIRCUIT'S CREATION OF A NEW "DUAL-USE" TRADEMARK, UNDER WHICH A SENIOR TRADEMARK OWNER MUST SHARE ITS TRADEMARK RIGHTS WITH A THIRD PARTY WITH WHOM THE PUBLIC COMES TO ASSOCIATE THE MARK, UNDERMINES THE LONG ACCEPTED FUNCTION AND UNDERSTANDING OF TRADEMARKS	7
II. PERMITTING THE MEDIA'S FIRST AMENDMENT PROTECTED USE OF A TRADEMARK TO DIVEST THE TRADEMARK OWNER OF ITS RIGHTS AND TRANSFER THOSE RIGHTS TO A THIRD PARTY UPSETS THE BALANCE BETWEEN TRADEMARK PROTECTION AND THE FIRST AMENDMENT	10
CONCLUSION	13
APPENDIX	1a

TABLE OF CITED AUTHORITIES

	Page
Cases	
American Stock Exchange, Inc. v. American Express Co., 207 USPQ 356 (TTAB 1980)	8
Coca-Cola Company v. Busch, 44 F. Supp. 405 (E.D. Pa. 1942)	8
Girls Scouts v. Bantam Doubleday Dell Publishing Group, Inc., 808 F. Supp. 1112 (S.D.N.Y. 1992), *aff'd*, 996 F.2d 1477 (2d Cir. 1993)	12
Illinois High School Association v. GTE Vantage Incorporated, 99 F.3d 244 (7th Cir. 1996)	1
International Association of Machinists and Aerospace Workers v. Winship Green Nursing Center, 914 F. Supp 651. (D.Maine 1996)	12
L.L. Bean v. Drake Publishers, Inc., 811 F.2d 26 (1st Cir. 1987), *cert. denied*, 483 U.S. 1013 (1987)	12
Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931 (D.D.C. 1985)	10, 11, 12
National Cable Television Association, Inc. v. American Cinema Editors, Inc., 937 F.2d 1572 (Fed. Cir. 1991)	8
Pieper v. Playboy Enterprises, Inc., 179 USPQ 318 (TTAB 1973)	8
Qualitex Company v. Jacobsen Products Company, Inc., __U.S.__, 115 S.Ct. 1300 (1995)	7
U.S. v. Steffens, 100 U.S. (10 Otto) 82 (1879)	7
United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918)	7
Yankee Publishing Inc. v. News America Publishing, Inc., 809 F. Supp. 267 (S.D.N.Y. 1992)	12

	Page
Statutes	
15 U.S.C. §1115(b)	13
15 U.S.C. §1121	2
15 U.S.C. §1125 *et seq*	2, 3, 7, 13
15 U.S.C. §1127	7
28 U.S.C. §1254(1)	2
28 U.S.C. §1338	2
U.S. Const. Amend. I	3
Treatises	
J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (3d ed. 1995)	9, 12

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Petition for a Writ Of Certiorari to the United States Court of Appeals for the Seventh Circuit

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Illinois High School Association ("IHSA") seeks a Writ of Certiorari to review the judgment and opinion of the United States Court of Appeals for the Seventh Circuit entered in *Illinois High School Association v. GTE Vantage Incorporated*, 99 F.3d 244 (7th Cir. 1996).

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Seventh Circuit (Posner, C.J.) is reported at 99 F.3d 244, and is reprinted in Appendix A at 1a-7a.[1] The order of the United States Court of Appeals granting a stay of mandate pending the IHSA's petition for writ of certiorari, which is unreported, is reprinted in App. B at 8a-20a.

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[1]The opinions and orders reprinted in the Appendix are referred to as "App." followed by the relevant appendix page designations.

A transcript of the orally rendered judgment of the United States District Court for the Central District of Illinois (Mihm, J.), which is unreported, is reprinted in App. C at 9a-20a.

The order of the United States District Court for the Central District of Illinois (Mihm, J.) denying the IHSA's Motion for Reconsideration, which is unreported, is reprinted in App. D at 21a-22a.

JURISDICTION

The United States Court of Appeals for the Seventh Circuit issued its decision on October 30, 1996. The Seventh Circuit granted Petitioner's Motion to Stay Issuance of Mandate Pending Application for Certiorari and stayed issuance of the mandate until December 20, 1996. This Petition for Writ of Certiorari is being timely filed. The jurisdiction of this Court to review the judgment of the Seventh Circuit is invoked under 28 U.S.C. § 1254(1). The jurisdiction of the United States District Court for the Central District of Illinois was invoked under 15 U.S.C. § 1121 and 28 U.S.C. § 1338 and principles of ancillary and pendant jurisdiction.

STATUTORY AND CONSTITUTIONAL PROVISIONS INVOLVED

The Trademark Act of 1946 (the "Lanham Act"), as amended, 15 U.S.C. § 1125(a)(1), provides as follows:

> (a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact which—
>
> > (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation,

> connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person
>
> * * *
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

The First Amendment of The Constitution of the United States, U.S. Const. Amend. I, provides as follows:

> Congress shall make no law . . . abridging the freedom of speech, or of the press . . . .

STATEMENT OF THE CASE

At issue in this case is the right of the IHSA to enjoin Respondent GTE Vantage Incorporated ("GTE") from infringing the IHSA's trademark MARCH MADNESS. This action originated in the United States District Court for the Central District of Illinois, where the IHSA sought to enjoin GTE from infringing the IHSA's MARCH MADNESS trademark under a purported license from the National Collegiate Athletic Association ("NCAA"). The District Court recognized the IHSA's senior rights in the mark, but denied the IHSA's preliminary injunction motion on the grounds that the media's non-commercial use of the phrase "March Madness" in connection with the NCAA's Final Four basketball tournament had diminished the IHSA's rights and resulted in common law trademark rights for the NCAA.

The Seventh Circuit affirmed the denial of the IHSA's preliminary injunction motion on the grounds that media use of the term "March Madness" had resulted in public association of

the term with the NCAA's Final Four tournament. The Seventh Circuit held that this public association created unspecified rights to the MARCH MADNESS mark in the NCAA, and consequently deprived the IHSA of some of its pre-existing rights to the mark. In so doing, the Seventh Circuit awarded the NCAA co-ownership in the IHSA's mark, and denominated an entirely new form of trademark, which it called the "dual-use" trademark.

A. *Factual Background*

The District Court and the Seventh Circuit both recognized the IHSA's senior rights to the MARCH MADNESS mark, noting that the IHSA has used MARCH MADNESS to identify its annual basketball tournament and goods and services related to interscholastic basketball since at least the 1940s. (App. A at 1a; App. C at 11a). The IHSA's mark has been broadcast nationally in association with its services (App. A at 1a; App. C at 15a), and its licensees have used the mark on a variety of products. (App. A at 1a, 2a; App. C at 11a).[2]

The IHSA brought suit against GTE to enjoin its recent use of the MARCH MADNESS mark to promote a CD-ROM basketball video game. In its defense, GTE asserted that it had obtained a valid license to the mark from the NCAA. In contrast to the IHSA's history of use, however, the NCAA had never itself used the mark. Rather, CBS sportscaster Brent Musberger, who first became aware of the term "March Madness" while covering the IHSA tournament in the late 1960s and the early 1970s, began using the term "March Madness" in his own broadcasts to describe the NCAA's basketball tournament in the early 1980s. (App. A at 2a; App. C at 11a). It was not until 1993 or 1994 that the NCAA began attempting to license use of the mark. (App. A

[2] The IHSA's licensed uses include, *inter alia*, the use of the mark in national PepsiCo point-of-purchase displays, on Pepsi soft drink cans themselves, on Wilson basketballs, and on the Chicago Tribune's World Wide Web site. (App. E at 23a-26a).

at 2a; App. C at 13a). Before that time, there existed no MARCH MADNESS branded goods or services associated with the NCAA's Final Four Tournament. When GTE began promoting its video game in 1996 under the MARCH MADNESS mark, and refused to comply with the IHSA's demands to desist, the IHSA sought injunctive relief.

B. *The District Court Proceedings*

The IHSA argued before the District Court that GTE's use of the MARCH MADNESS mark to promote its basketball video game caused a likelihood of reverse confusion because any basketball video game marketed by the IHSA would likely be viewed by the public as connected with, or sponsored by, the NCAA. Based on the undisputed facts, the District Court found that the IHSA had developed a common law trademark and that "originally it [the IHSA's MARCH MADNESS mark] was very strong." (App. C at 15a). However, the District Court held that the IHSA's rights had been diminished by the media's use of the mark in connection with the NCAA's Final Four tournament. The District Court further held that, solely as a result of such media use, the NCAA "had established a common law mark regarding the use of [MARCH MADNESS] in connection with the NCAA tournament." (App. C at 13a).

The IHSA moved the District Court to reconsider its decision, arguing that: (1) the media's non-commercial use could not diminish the IHSA's rights to its mark and bestow rights on the NCAA; and (2) the court failed to apply the doctrine of reverse confusion. The District Court denied the IHSA's motion, and the IHSA appealed.

C. *The Seventh Circuit's Decision*

On appeal to the Seventh Circuit, the IHSA again argued that protected media use could not transfer trademark rights, and that public association was not relevant to mark ownership where

the mark was previously used and owned by another. The Seventh Circuit held that public association of MARCH MADNESS with the NCAA's Final Four tournament through media use created trademark rights in the NCAA and deprived the IHSA of pre-existing rights obtained through first use, despite the fact that the NCAA itself had never used the mark. Contrary to the accepted function and understanding of trademarks as designating one source, the Seventh Circuit held that MARCH MADNESS could designate *more than one* source for the same and related goods and services, sold in the same geographic region, through the same channels of trade. The Seventh Circuit called this new form of trademark a "dual-use" trademark.

The Seventh Circuit also held that a mark owner cannot recover for reverse confusion unless the defendant is culpable, and that, even if the defendant is culpable, he cannot be enjoined if the infringement has resulted in greater public association with him than with the mark's rightful owner. (App. A at 4a). The Seventh Circuit then affirmed the denial of the IHSA's motion for a preliminary injunction, and remanded the case to the District Court for entry of judgment in favor of GTE.

The IHSA filed a motion to stay the Seventh Circuit's mandate, arguing that the Seventh Circuit's decision warrants Supreme Court review because it undermines the accepted function and understanding of trademarks as a designation of a single source—a designation upon which the consuming public and trademark owners rely. By awarding the NCAA trademark rights based on the media's protected, non-commercial use, the Seventh Circuit's decision also upsets the balance between the protection afforded trademarks and the protection afforded non-commercial speech under the First Amendment because it transforms the media into an arbiter of trademark rights and compels mark owners to challenge the media's descriptive uses of trademarks. As a result, argued the IHSA, the Seventh Circuit's decision will impair the ability of trademark owners to control their marks and

will lead to consumer confusion. The Seventh Circuit granted the IHSA's motion to stay its mandate, and stayed issuance of its mandate until December 20, 1996, pending the filing of the IHSA's Petition for Writ of Certiorari and final disposition by the United States Supreme Court.

REASONS FOR GRANTING THE WRIT

I. THE SEVENTH CIRCUIT'S CREATION OF A NEW "DUAL-USE" TRADEMARK, UNDER WHICH A SENIOR TRADEMARK OWNER MUST SHARE ITS TRADEMARK RIGHTS WITH A THIRD PARTY WITH WHOM THE PUBLIC COMES TO ASSOCIATE THE MARK, UNDERMINES THE LONG ACCEPTED FUNCTION AND UNDERSTANDING OF TRADEMARKS.

Before the Seventh Circuit issued its decision, trademarks and service marks were universally understood as designations of unitary source, origin, sponsorship or association. 15 U.S.C. § 1125(a)(1); 15 U.S.C. § 1127. *See also United States v. Steffens*, 100 U.S. (10 Otto) 82, 90 (1879); *Qualitex Company v. Jacobsen Products Company, Inc.*, __ U.S. __, 115 S.Ct. 1300, 1303 (1995). Trademarks serve to protect both consumers and trademark owners. Trademarks protect consumers by assuring them of a single source, and hence equal quality, for all related goods sold under the same mark. *Qualitex*, 115 S.Ct. at 1303. Trademarks protect mark owners by assuring them of identification in the marketplace, and creating a repository for the good will of their products and services in the public mind. *Id.*

For well over one hundred years, this Court has recognized that trademark rights are established through prior use in commerce. *Steffens*, 100 U.S. at 92. *See also United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97, 100 (1918) ("the right to a particular mark grows out of its use, not its mere adoption.... [A]s between conflicting claimants to the right to

use the same mark, priority of appropriation determines the question"). Once a trademark is established, the trademark owner has rights superior to all junior users of the mark. *Id.*

The Seventh Circuit's decision, however, eviscerates this long-established rule of law by holding that public association of a mark with someone other than the mark owner creates new "dual-use" rights to the mark. This departure from the rule of first use undermines the fundamental function of trademarks as an indication of origin. Under the Seventh Circuit's decision, trademarks may now identify *more than one* source for the same and related goods and services, sold in the same geographic region, through the same channels of trade. This decision impairs the ability of trademark owners to enforce and police their marks, and will confuse consumers, who will be unable to distinguish multiple sources or sponsors of similar goods and services sold under the same mark.

No court has ever held that public association may divest a senior mark owner of its rights, and concomitantly transfer those rights to a third party who has never itself used the mark.[3] Yet the Seventh Circuit's decision does just that. Under the Seventh Circuit's novel construction of trademark law, mark holders must share their trademarks with third parties who are pernicious enough, or lucky enough, to obtain public association with the mark.

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[3] A handful of cases have held that public association can establish rights *in the absence* of a prior user of the mark. *American Stock Exchange, Inc. v. American Express Co.*, 207 USPQ 356 (TTAB 1980) (use of AMEX by public and American Express itself preceded any use of AMEX by American Stock Exchange); *National Cable Television Awards Association, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572 (Fed. Cir. 1991) (use of ACE AWARDS by public and American Cinema Editors itself occurred *long before* the National Cable Television Association introduced its "ACE" awards for cable broadcasting); *Coca-Cola Company v. Busch*, 44 F. Supp. 405 (E.D. Pa. 1942) (no prior users of the mark "Coke" existed before the public and the media began to use the mark to refer to Coca-Cola); *Pieper v. Playboy Enterprises, Inc.*, 179 USPQ 318 (TTAB 1973) (no prior users of the mark "BUNNY CLUB" existed prior to the public association of "bunnies" with Playboy Enterprises).

"Dual-use" trademarks, if allowed to exist, will cloud the rights and obligations of mark owners. Trademark owners not only have the right to prevent confusion with their goods and services by stopping unauthorized uses of their marks, they have a duty to ensure that their marks continue to serve as source identifiers by challenging, including through litigation, unauthorized commercial uses of their marks. 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 11.28 at 11-152 (3d ed. 1995). The "dual-use" rights created by the Seventh Circuit, however, impair the ability of mark owners to enforce and police their marks because it is unclear which of the "dual-use" trademark holders will have the right, or the obligation, to halt other parties from unauthorized uses of the mark. Each mark holder's exercise of its "dual-use" rights and obligations, or the failure to do so, may affect the trademark rights of the other. For example, the failure of one "dual-use" trademark owner to enforce the mark against uses by third parties may undermine the trademark rights of the other owner.

The untenable position in which the Seventh Circuit has placed trademark owners becomes even more acute in cases where, as here, the mark is licensed for use by third parties. For example, the IHSA licenses the MARCH MADNESS mark for use on basketballs.[4] There is no reference on the basketballs to either the IHSA tournament or the NCAA tournament. The Seventh Circuit's decision presents the possibility that an NCAA licensee may also use the mark on basketballs, but does not clarify who has the right, or the duty, to halt third parties from making such a use. This form of trademark joint tenancy created by the Seventh Circuit destroys the sourcing function of trademarks and will confuse consumers.

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[4] *See* n. 2, *supra*.

II. PERMITTING THE MEDIA'S FIRST AMENDMENT PROTECTED USE OF A TRADEMARK TO DIVEST THE TRADEMARK OWNER OF ITS RIGHTS AND TRANSFER THOSE RIGHTS TO A THIRD PARTY UPSETS THE BALANCE BETWEEN TRADEMARK PROTECTION AND THE FIRST AMENDMENT.

The District Court and the Seventh Circuit both recognized the IHSA's senior rights to the mark MARCH MADNESS. (App. A at 1a; App. C at 11a). However, both courts held that the media's independent, non-commercial use of the term "March Madness" to refer to the NCAA's Final Four basketball tournament (even in the absence of any use by the NCAA itself) created rights to the mark in the NCAA. The Seventh Circuit explained that where the public is using a mark holder's name with someone else's good or service, ownership of the mark "should be resolved against trademark protection . . . for the sake of protecting effective communication." (App. A at 6a).

The Seventh Circuit's decision, however, will erode, not protect, effective communication. Mark owners will be hamstrung in their ability to communicate their identity to the public without confusion, while the public will no longer be assured that trademarks designate a single source. Furthermore, to avoid the risk of losing rights in their marks, trademark owners will be compelled to challenge, whether by economic influence, threat of suit, or otherwise, the media's non-commercial, descriptive and fair uses of trademarks. The Seventh Circuit's decision upsets the balance between the protection afforded trademarks and the protection afforded non-commercial speech because it compels mark owners to challenge the media in order to prevent a transfer of their trademark rights.

The Seventh Circuit explained its conception of the interplay between the media and trademark owners through its interpretation of *Lucasfilm Ltd. v. High Frontier,* 622 F. Supp. 931 (D.D.C. 1985). The mark at issue in *Lucasfilm,* "STAR

WARS," had, "[t]hrough persistent and prolific use in newspapers and magazines and over television and radio . . . become a popular synonym for the SDI [the Reagan Administration's Strategic Defense Initiative] proposal." *Lucasfilm,* 622 F. Supp. at 933. The plaintiff in *Lucasfilm* sought to enjoin several public interest media groups from using the phrase "star wars" to refer to SDI in broadcast television messages. The *Lucasfilm* court recognized that "[o]verlying this lawsuit is plaintiff's natural concern that if he does not seek legal remedies to protect his mark he will lose it," but ruled that the plaintiff could not enjoin these non-commercial uses of its mark because "the use of star wars in . . . newspapers or noncommercial, non-trade references will not undermine plaintiff's exclusive property right to use it in connection with goods and services." *Id.* at 935. The court further stated that, even though the plaintiff could not enjoin the public interest media groups' noncommercial uses of its mark:

> it would be equally unrealistic and unfair to take from the lawful owner of a strong trademark his continued right to its commercial use because others, beyond his control . . . used the words of the trademark as part of an on-going international political debate.

Id.

The Seventh Circuit, however, reached a different conclusion, stating that the plaintiff in *Lucasfilm* would also be powerless to stop any *commercial* uses of the mark by government licensees that sold STAR WARS brand missiles because, as a result of the non-commercial use by public interest groups, "[t]he name would have become attached by the public to another product as well as to the movies, just as happened here." (App. A. at 7a). If allowed to stand, the Seventh Circuit's decision would compel mark owners to do everything in their power to halt all non-commercial uses of their marks. This increased surveillance required by the Seventh Circuit's decision will then have a chilling effect on the media's protected speech.

The Seventh Circuit's decision fails to recognize the distinction between commercial and non-commercial speech, and consequently clouds the rights and obligations of trademark owners. Traditionally, trademark owners have had nothing to fear from communicative, non-commercial uses of their marks. *Lucasfilm*, 622 F. Supp. at 933-935. *See also* 4 *McCarthy on Trademarks* § 31.37[7][d] at 31-211, interpreting *Lucasfilm*. Trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view:

> [T]he First Amendment confers a measure of protection for the unauthorized use of trademarks when that use is a part of the expression of a communicative message.... Free speech rights do not extend to labeling or advertising products in a manner that conflicts with the trademark rights of others.... *However, when unauthorized use of another's mark is part of a communicative message and not a source identifier, the First Amendment is implicated in opposition to the trademark right.*

Yankee Publishing Inc. v. News America Publishing, Inc., 809 F. Supp. 267, 275-6 (S.D.N.Y. 1992) (emphasis added). *See also L.L. Bean v. Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir. 1987), *cert. denied*, 483 U.S. 1013 (1987) (non-commercial parody of L.L. Bean trademark by adult magazine protected by First Amendment); *Girls Scouts v. Bantam Doubleday Dell Publishing Group, Inc.*, 808 F. Supp. 1112, 1118 (S.D.N.Y. 1992), *aff'd*, 996 F.2d 1477 (2d Cir. 1993) ("The owner of a trademark does not possess a property right that is superior to the First Amendment right accorded to artistic expression"); *International Association of Machinists and Aerospace Workers v. Winship Green Nursing Center*, 914 F. Supp. 651, 654 (D.Maine 1996) (employer's unauthorized use of union's service mark in letters to employees opposing

union's organization efforts was not commercial use of mark in connection with any goods or services and thus was not trademark infringement).[5]

The Seventh Circuit's decision, however, not only limits the protections afforded trademarks, it threatens the protections provided by the First Amendment. The media had a right, privileged by the First Amendment, to use the term "March Madness" in a non-commercial manner. If the Seventh Circuit's decision is not overturned, trademark owners will be unable to control their marks and will be forced to besiege the media.

CONCLUSION

The Seventh Circuit's decision turns trademark law on its head and creates an unworkable model of trademark protection for both the consuming public and mark owners. Displacing the rule of first use for establishing trademark rights with a test of public association creates perverse incentives for trademark infringers to create as much confusion as possible in the marketplace so as to achieve public association and thus gain ownership rights in another's mark. Establishing "dual-use" trademark rights to the same mark, used for the same and related goods and services, sold in the same geographic region, through the same channels of trade, impairs both the right and the obligation of mark owners to control their marks. Establishing trademark rights based on the media's non-commercial use will force mark holders into the untenable position of hounding the media in order to prevent their rights from being transferred to another party. Trademark rights will not be secure, and the public will be confused.

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[5] The First Amendment's protection of communicative works and media commentary is also apparent in the doctrine of "fair use," which is codified as part of the Lanham Act, and which freely permits descriptive, non-commercial use of trademarks. 15 U.S.C. § 1115(b); 15 U.S.C. § 1125(c)(4).

For the foregoing reasons, this petition for writ of certiorari should be granted.

Respectfully submitted,

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December 20, 1996

APPENDIX TO PETITION FOR WRIT OF CERTIORARI

TABLE OF CONTENTS

		Page
A.	Opinion of the United States Court of Appeals for the Seventh Circuit	1a
B.	Order of the United States Court of Appeals for the Seventh Circuit Granting Plaintiff-Appellant's Motion To Stay Issuance Of Mandate Pending Application For Certiorari	8a
C.	Ruling of the United States District Court for the Central District of Illinois On the IHSA's Motion For Preliminary Injunction	9a
D.	Order of the United States District Court for the Central District of Illinois Denying the IHSA's Motion for Expedited Reconsideration	21a
E.	Trial Testimony of H. David Fry, 3/20/96 AM, Page 21, line 15, to page 25, line 12	23a

APPENDIX A

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 96-1981

ILLINOIS HIGH SCHOOL ASSOCIATION,
Plaintiff-Appellant,

v.

GTE VANTAGE INC.,
Defendant-Appellee.

APPEAL from the United States District Court for the Central District of Illinois, Peoria Division.

No. 96 C 1119
MICHAEL M. MIHM, *Chief Judge.*

Argued September 24, 1996
Decided October 30, 1996

Before POSNER, *Chief Judge,* and HARLINGTON WOOD, Jr., and ESCHBACH, *Circuit Judges.*

POSNER, *Chief Judge.* This is an appeal from the denial of a preliminary injunction sought by the Illinois High School Association to protect its trademark "March Madness" against infringement by GTE Vantage Inc. Vantage holds a license for the mark from the National Collegiate Athletic Association. The appeal presents a novel issue of trademark law.

Since the early 1940s, the Illinois High School Association, sponsor of the Illinois high school basketball tournament—the premiere high school basketball tournament in the United States, we are told—has used the trademark "March Madness" to designate the tournament, held every year in March and sometimes broadcast nationally. IHSA has licensed the use of the

trademark on merchandise associated with the tournament. Another basketball tournament—NCAA's "Final Four" championship—is also played in March, spilling over into the early part of April. In 1982, when CBS began televising the "Final Four" championship games, broadcaster Brent Musburger used the term "March Madness" to designate them. The term caught on and is now widely used by the media and the public to denote this basketball tournament as well as IHSA's.

In 1993 or 1994, NCAA began licensing the use of the term "March Madness" to producers of goods and services related to its tournament. Earlier this year one of the licensees, Vantage, began using "March Madness" to promote a CD-ROM game that it calls "NCAA Championship Basketball." The term "March Madness" appears in a circle on the box in which the game is to be sold and in some of the game's computer graphics. Vantage's use of the term precipitated this suit, which seeks injunctive relief for unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

IHSA argues that the use by NCAA licensees of the term "March Madness" is likely to confuse consumers. A few will think that Vantage's game is sponsored by IHSA or otherwise connected with the Illinois high school basketball tournament, but more will think that the IHSA tournament is sponsored by NCAA or that the trademark "March Madness" affixed to merchandise licensed by IHSA actually refers to the NCAA tournament. The latter effect—what the cases call "reverse confusion," where a powerful junior user of the trademark (NCAA dwarfs IHSA) swamps the senior's use of it with advertising and other publicity that extinguishes consumer demand for the senior user's product, *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 957-58 (7th Cir. 1992); *Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733, 740-41 (2d Cir. 1994); 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23.01[5]

(3d ed. 1995)—is likely to impair IHSA's ability to make money by licensing its trademark on merchandise and other incidentals.

The issue of likelihood of confusion does not arise, however, until it is determined that the plaintiff has a trademark that the law will protect; and the district judge thought that IHSA does not, so far as the use of the term "March Madness" in connection with the NCAA tournament is concerned. It has been many years since the media first appropriated the term to describe the NCAA tournament (if "appropriation" is the right word—it may be a case of independent discovery). Most people know what they know about college basketball from the media. If the media call the NCAA tournament "March Madness," that is what the public will call it, or know it as.

IHSA argues that it is unfair to make its rights depend on the whims of the media. Because a court could not, without violating the free-speech clause of the First Amendment, have enjoined (or used other legal remedies to prevent or deter) the media from calling the NCAA tournament "March Madness," IHSA was helpless to prevent its trademark from being transformed into the name of another product. Its property right should not, it argues, depend on events over which it has no control.

It is true that IHSA could not have sued Musburger or CBS for referring to "March Madness" in a news program (including a program of sports news), see *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987), or even in advertising if the term were used merely for identification. *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). But it could have sued them (with what success we need not speculate—a suit at this late date would surely be barred by laches) for using its trademark to promote CBS's broadcast of the NCAA championship. And it could have supplicated them not to spoil its trademark by using it to name something else. A serious trademark holder is assiduous in

endeavoring to convince dictionary editors, magazine and newspaper editors, journalists and columnists, judges, and other lexicographically influential persons to avoid using his trademark to denote anything other than the trademarked good or service. These efforts sometimes succeed. IHSA was not assiduous. But that is a detail—is in fact irrelevant, for no defense of laches has been pleaded by Vantage or, so far as the record suggests, would succeed.

What matters is that a trademark is not nearly so secure an entitlement as a property right. See *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) (Holmes, J.); *Door Systems, Inc. v. Pro-Line Door Systems, Inc.*, 83 F.3d 169, 173 (7th Cir. 1996); *WCVB-TV v. Boston Athletic Ass'n*, 926 F.2d 42, 45 (1st Cir. 1991). It is mainly just a designation of source, 15 U.S.C. §§ 1114(1), 1125(a), and dies when it ceases to designate, for whatever reason other than the culpable conduct of the defendant. See, e.g., *Sands, Taylor & Wood Co. v. Quaker Oats Co., supra*, 978 F.2d at 960. Were NCAA responsible for blotting out the exclusive association of "March Madness" with the Illinois high school basketball tournament, IHSA might have a remedy on a theory of reverse confusion, though probably not an injunctive remedy since that would promote confusion among consumers, most of whom now identify the term with the NCAA tournament. But IHSA blames CBS, which is not a defendant, rather than NCAA, much less Vantage, for the blotting out.

Even antidilution statutes—and there is now an anti-dilution provision in federal trademark law for "famous" marks, 15 U.S.C. § 1125(c), which however "March Madness" is not claimed to be—do not elevate a trademark all the way to property. They do protect the trademark owner from the erosion of the distinctiveness and prestige of a trademark caused by the sale of other goods or services under the same name (for example, the use of "Tiffany & Co." as the name of a hamburger stand, or simply a proliferation of borrowings that, while not degrading the original

seller's mark, are so numerous as to deprive the mark of its distinctiveness and hence impact), even though there is no confusion of source. E.g., *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1060 (7th Cir. 1995); *Fruit of the Loom, Inc. v. Girouard*, 994 F.2d 1359, 1363 (9th Cir. 1993); see also 3 McCarthy, *supra*, § 24.13[1]. But the existence of a mark that designates a particular source is presupposed. When a trademark become generic, such as "Aspirin" or "Thermos," and so loses trademark protection, because the public, perhaps egged on by the omnipresent media, decides to use the trademark to designate not the particular manufacturer's brand but the entire product comprising all the competing brands, the trademark is dead no matter how vigorously the holder has tried to prevent this usage. *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 347 (7th Cir. 1985); *King-Seeley Thermos Co. v. Alladin Industries, Inc.*, 321 F.2d 577, 579 (2d Cir. 1963); *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75, 81-82 (2d Cir. 1936); *Bayer Co. v. United Drug Co.*, 272 Fed. 505, 509 (S.D.N.Y. 1921) (L. Hand, J.); 2 McCarthy, *supra*, § 12.08. An antidilution statute won't resurrect it, since if a mark becomes generic it is no longer distinctive, as the statutes require. 15 U.S.C. § 1125(c)(1); *McGraw-Edison Co. v. Walt Disney Productions*, 787 F.2d 1163, 1174 (7th Cir. 1986); *Hyatt Corp. v. Hyatt Legal Services*, 736 F.2d 1153, 1157 (7th Cir. 1984).

IHSA acknowledges this point but seeks to deflect it by pointing out that "March Madness" has not become generic. It is not the name of basketball tournaments, or any other set of events, that occur in March. It is the name of two basketball tournaments, IHSA's and the NCAA's. (It has also been used to promote special discount sales of cars, Jennifer Cobb, "March Madness Not Confined to Hoops," *Tulsa World*, March 22, 1995, p. 2, but these uses are too remote to bear significantly on this case.) We cannot see what difference that makes. There is no magic in labels. Let "March Madness" be called not a

quasi-generic term, or a term on its way to becoming generic, but a dual-use term. Whatever you call it, it's a name that the public has affixed to something other than, as well as, the Illinois high school basketball tournament. A trademark owner is not allowed to withdraw from the public domain a name that the public is using to denote someone else's good or service, leaving that someone and his customers speechless. No case so holds, other than the cases involving generic names, but no case holds the contrary, either. It is an issue of first impression, and we think that for the sake of protecting effective communication it should be resolved against trademark protection, thus assimilating dual-use or multiple-use terms to generic terms.

IHSA relies heavily on *Lucasfilm Ltd. v. High Frontier,* 622 F. Supp. 931 (D.D.C. 1985). District court decisions have little weight as precedents, *Anderson v. Romero,* 72 F.3d 518, 525 (7th Cir. 1995); *Mueller v. Reich,* 54 F.3d 438, 441 (7th Cir. 1995)—dicta in those decisions even less—and anyway *Lucasfilm* is not on point. The producer of the movie trilogy "Star Wars" tried unsuccessfully to prevent public interest groups from using in their advertisements opposing President Reagan's Strategic Defense Initiative (an anti-missile program) the term "star wars" to denote the SDI. In the course of rejecting the producer's claim, the court remarked that the use of the term "Star Wars" to denote the SDI would not prevent the producer from using the term "in connection with goods and services." 622 F. Supp. at 935. All that this can sensibly mean is not that Lucasfilm retained the *exclusive* right to use the term in connection with *any* and all goods and services, an issue not remotely before the court, but that it remained free to use its trademark "Star Wars" to designate the movies and the merchandise associated with them. If someone bought rights to the SDI from the U.S. government and sold the anti-missile program to another country under the name "Star Wars," nothing in the *Lucasfilm* opinion or in the principles of trademark law would entitle Lucasfilm to enjoin that

use of the name. The name would have become attached by the public to another product as well as to the movies, just as happened here.

Not only was the preliminary injunction sought by IHSA rightly denied, but since the suit appears to lack any merit, the district court on remand should enter judgment for the defendant, *Mast, Foos & Co. v. Stover Mfg. Co.*, 177 U.S. 485, 494-95 (1900); *Pratte v. NLRB*, 683 F.2d 1038, 1044 (7th Cir. 1982); *Berry v. Bean*, 796 F.2d 713, 719 (4th Cir. 1986), unless, as we greatly doubt, IHSA is able to find another arrow in its quiver. 11A Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, *Federal Practice and Procedure* § 2950, p. 245 (2d ed. 1995).

We do not opine on the scope of the trademark rights that either IHSA or NCAA has, beyond ruling that IHSA's rights do not extend to the NCAA tournament and to merchandise such as Vantage's game that is sold in connection with that tournament.

AFFIRMED WITH REMAND.

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago, Illinois 60604

November 19, 1996

Before

Hon. RICHARD A. POSNER, *Chief Judge*

ILLINOIS HIGH SCHOOL ASSOCIATION, an Illinois not for profit organization *Plaintiff-Appellant,* No. 96-1981 vs. GTE VANTAGE INCORPORATED, *Defendant-Appellee.*	Appeal from the United States District Court for the Central District of Illinois, Peoria Division. No. 96 C 1119 Michael M. Mihm, *Chief Judge.*

Upon consideration of **"PLAINTIFF-APPELLANT'S MOTION TO STAY ISSUANCE OF MANDATE PENDING APPLICATION FOR CERTIORARI,"** filed on November 18, 1996, by counsel,

IT IS ORDERED that the motion is **GRANTED** and the mandate is **STAYED** to and including December 20, 1996, pending the filing of a petition for a Writ of Certiorari. If a petition is filed within this time period, the mandate will continue **STAYED** pending completion of proceedings in the Supreme Court. If a petition is not filed within that time period, the clerk will issue the mandate forthwith. Counsel is reminded of their obligation to comply with Circuit Rule 41(e).

APPENDIX C

IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF ILLINOIS

ILLINOIS HIGH SCHOOL ASSOCIATION, an Illinois not-for-profit association,

Plaintiff.

vs.

GTE VANTAGE INCORPORATED, a Delaware Corporation,

Defendant.

Civil No. 96-1119
Peoria, Illinois
March 20, 1996

COURT'S RULING ON MOTION FOR PRELIMINARY INJUNCTION

BEFORE:

HONORABLE MICHAEL M. MIHM
Chief United States District Judge

APPEARANCES:

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KAREN S. HANNA, C.S.R.
U.S. District Court Reporter
Central District of Illinois

Proceedings recorded by mechanical stenography, transcript produced by computer

THE COURT: I apologize for keeping you waiting. It took me that long to work through this. I want to thank you at the beginning for the quality of your presentations here this afternoon. It was very helpful to me.

The record that I have before me reflects that beginning in the 1930's or 1940's, this term March Madness was coined by and used by someone and used to describe the IHSA basketball tournament which took place, and still does, in March. From then until the early 1980's, from what I can determine, this term March Madness was only used to describe the Illinois State High School tournament plus 10 or 11 other state basketball tournaments where the use of that term occurred with the permission of the IHSA.

The IHSA merchandised products. They have been shown to us in court today: Cups, T-shirts, pins, books, videos. These were merchandised mostly at the tournament site, which until this year was in Champaign, and by mail order. And I believe that there is a reasonable inference that most, if not all, of the people who ordered some of these items by mail were somehow connected to the Illinois tournament, either because they had a relative playing in it or whatever.

There doesn't appear to be any dispute that this basketball tournament was one of the premier, and still is, one of the premier basketball tournaments in the country at the high school level.

In the early 1980's, Brent Musburger, who was a sportscaster, sports reporter, I believe for CBS at that time, was in Chicago and there seems to be agreement that he is the one who first used the term to refer to the NCAA tournament. And the rest, as they say, is history.

The news media picked up on this, sportscasters all over the country picked up on it, and of course it was national because the NCAA tournament involves college teams from all over the country. Sports fans latched onto it.

So in this period of time, beginning in 1981 to the late eighties and early nineties, we had this NCAA March Madness clearly being identified with the NCAA tournament, and it grew to the point where I think there is even an argument to be made that it's almost part of the public consciousness at this point, at least in terms of any sports fan.

While this was developing in the 1980's, the IHSA, although obviously aware of the use of this term March Madness, did nothing to stop it. That had the effect inevitably of, in my view, as this term NCAA March Madness, referring to the tournament, college tournament, as that grew, I think that had the effect of diluting the mark that the IHSA had.

Now the IHSA says that they took no enforcement action because they considered this to have been fair use. And I think that's a little bit of a stretch quite frankly. The Sands, Taylor case that the plaintiffs rely on is very helpful in this case.

978 Fed. 2d at page 951, it says: "The fair use doctrine is based on the principle that no one should be able to appropriate descriptive language through trademark registration. To prevail on the fair use defense, the defendant must establish that its use of a registered term or device is otherwise than as a trade or a service mark, that the term or device is descriptive of the defendant's goods or services."

I'm not at all sure that I can go that far here without—without being facetious. I really wasn't actually being facetious earlier when I made those comments when I talked about who was actually mad. One might certainly argue that people get excited about this tournament as it unfolds, but this is a term of art that we're dealing with here in the trademark area. I'm not at all sure that we can appropriately characterize what happened when the NCAA used this term March Madness as being descriptive of the defendant's goods and services.

Then the last element is that the defendant is using the term or device fairly and in good faith only to describe to users those goods and services. That's equally, I think, an impossible stretch in this case. My guess is, after listening to the testimony here this afternoon, that if the witness who testified here today had been on board back in the 1980's, that this would not—either would not have occurred or it would have occurred under more controlled circumstances in the sense that the present director is obviously very aggressive in terms of asserting and expanding the rights and prerogatives of the IHSA, which is fine. But that isn't what happened in the 1980's.

So until the late eighties, we have the IHSA using this term March Madness to describe a state high school basketball tournament and beginning in the early eighties and continuing continuously after that we have this term applied commonly to describe the NCAA college tournament.

The indications are that the NCAA made no attempt to license the use of that term until very recently and it also appears that the IHSA, other than giving a token approval to some other states for the use of this, really made no attempt to license this phrase, the use of the phrase, or to give approval to anything other than the use of this in relation to a state basketball tournament until the 1990's. There is one exception and that occurred in 1989 in the incident regarding Intersport.

So it's my view that by the time the IHSA came to the decision that it was appropriate for them, both in a legal sense and in a business sense, to expand this mark, the meaning of it, to include something other than just state high school basketball tournaments, by that time I don't believe they were any longer free to do that because the NCAA, I believe, by that time had established a common law mark regarding the use of this term in connection with the NCAA tournament that had been in continuous use for several years. Normally when we talk about a

trademark, we're talking about the trademark in relation to a product or a service. In this case we're talking about an event.

If we look at the seven factors that we referred to earlier, there are some findings I want to make regarding those.

First of all, item number one is similarity between the marks in appearance and suggestion. Insofar as the term March Madness itself, they are virtually identical. Insofar as the IHSA products are identified as IHSA products, clearly high school related products, and the NCAA products are identified as NCAA products—for example, the specific item before me here being the CD-ROM that has NCAA prominently displayed all over it—in that sense, they are dissimilar. So in appearance, they're in some ways similar and in other ways dissimilar.

In terms of suggestion, they are similar in the sense that they both deal with basketball. They are dissimilar in that one has to do with high school basketball tournaments, the other has to do with the college basketball tournament.

This is not just a difference between high school and college basketball. It's a difference between the college tournament—I guess there may be—is the NIT still around—certainly the one that's most known by the public and, on the other hand, the state high school basketball tournament.

The second point concerning similarity of products, we're comparing here the CD-ROM, which as I understand it is an interactive NCAA tournament video game, with the products which have been produced to this point by the IHSA, that is cups, pins, VCR tapes regarding past tournaments and some of the players and some attempts to make a deal with Sega regarding an interactive video and with another company for a board game which have not succeeded.

These are similar in that they all involve basketball. They are dissimilar in that each of them, at least in anything I have seen

here, clearly identify one as being high school and the other as being college. If they had succeeded with Sega, then they—of course the interactive videos would both have involved basketball.

Number three: The area and manner of concurrent use. Most of the evidence in this case, I think, establishes that until recently most of the use by the IHSA was at the regional level. I won't say just state level, but the regional level. There certainly are exceptions to that. Apparently at one time WGN carried the tournament. Some of the people who actually bought products through these mail order arrangements may have been located at different places around the country. But I think most of it, the real focus of it was at the state level or, at most, regional. The NCAA area covered has always been national in scope. In terms of the manner, both promote basketball tournaments and in both situations the products are related to basketball.

As to the fourth item, the degree of care likely to be exercised by consumers, there are two answers to that. In one sense, I would expect there would be virtually no care exercised by consumers. It's not the kind of thing that I would guess that consumers would spend any nanosecond of time pondering when they go to purchase one of these items.

Having said that, I think again I have to say this. Except if a consumer went into a store looking for a college tournament video, something having to do with college basketball, a video game—let's hold it to a video game since that's what we're talking about here—I don't think that person would be likely to purchase an interactive video that dealt with a high school tournament. I'm just not convinced that would happen. Or vice versa.

Number five: The strength of the complainant's mark. I think originally it was very strong. I think that over time, and the focus being in the eighties when the use of this term NCAA March Madness, when that started catching on, I think it became substantially diluted by what happened in the eighties. And, as I

have said earlier, I'm not persuaded that the plaintiffs—I'm not persuaded that their suggestion of what fair use was allows them to avoid the dilution of their mark by what happened in the 1980's.

Number six: Is there any actual evidence of confusion. My response to that is no, there is no evidence of that in this record. Now the plaintiffs argue that because the term used here, March Madness, is virtually identical in both situations, that this confusion is presumed. But for the same reasons that I have gone back to three or four times already, the fact that we're talking about completely different animals here, a high school tournament as opposed to a college tournament, I just don't believe that that presumption is reasonable in this case.

The last item, number seven: The intent of the defendant to palm off his product as that of another. There is no evidence of that. We talked about reverse confusion, but again, for the reasons I've already stated, I don't think that's correct.

My law clerk has admonished me that I made the statement that the NCAA had established a common law trademark and that perhaps this is beyond the scope of the issues before you. Thank God for law clerks. But I think in this situation I needed to say that, or at least come close to saying that, because it's necessary to explain why I don't believe in the 1990's or in the late 1980's that the plaintiff was any longer legally able to expand their mark beyond the high school tournament situation.

I think that's everything I have to say. The bottom line is—although I think if you listened to what I was saying, some of these factors really come down in favor of the plaintiff and some of them in favor of the defendant—the bottom line to me clearly is that the plaintiff is not entitled to injunctive relief.

I might also hasten to add that these findings that I have made today are based solely on the record that I have before me and are made only for the purposes of this injunction hearing and

are not intended in any way to suggest what might happen later in this lawsuit. This has not—this is not a situation where the findings on the preliminary injunction have been joined with findings on the underlying merits in the case, so the potential for there to be a change in the rulings by this Court are certainly open.

Let me ask this. Whether anyone agrees or disagrees with the findings that I have made, are three any bases that you feel need to be touched here, one way or the other, that I have not addressed? You might want to take a couple of minutes and confer and tell me what you think on that. I might add, parenthetically, that I do reserve the right to supplement these oral findings with written findings, but at this point I don't anticipate doing that.

MR. YOUNG: Your Honor, I think just one point of clarification is that the issues that we're talking about here are in connection with a CD-ROM product being marketed as NCAA Championship Basketball, just so we're clear that your holding—

THE COURT: My holding is limited to that. In other words, you came in here seeking to bar them from being able to proceed with the marketing of that product on the basis of your trademark, correct? And my ruling is limited simply to saying that in terms of your request for injunctive relief, I don't believe that you have made a showing that there is a reasonable likelihood of success on the merits of that claim and, consequently, I believe that extraordinary relief is inappropriate.

But your question raises—I'm glad you mentioned that. In any situation like this, of course the Court is to look at the traditional factors as to whether or not extraordinary relief is appropriate. One of those factors is whether or not there is an adequate remedy at law. Another is whether or not there is irreparable harm if the injunction does not issue. Both of those issues are somewhat interrelated.

My understanding of this area of the law is that if you have established a likelihood of success, and in this case it's something more than negligible likelihood of success, then there is a presumption that is operative that would say that there is no adequate remedy at law and the harm would be irreparable. The Court is also to look to the harm that would come to the plaintiffs in this case if the injunction does not issue and the harm that would attach to the defendants if it did.

The harm to the plaintiff in this case is the use of the—the ability of the defendant to go forward with the marketing of this CD-ROM, that I'm sure from your point of view would have the effect of further diluting any appropriate interest that you have in the mark. From the defense point of view, the harm would be that they would have to stop what they're doing with this product and not proceed with the creation or manufacture or marketing of it. I think that both of those are very substantial. I think it's frankly kind of a wash in that respect. There is no indication in this record that either party comes to the court with unclean hands.

And in terms of the public interest here, which is also something I am to look at, I think that both sides have a fairly strong argument in that regard. From the plaintiff's point of view, there is a strong public interest in upholding and enforcing trademarks. There are many examples in the marketplace at any time of the unwarranted effect, economic impact, of trademark violations or copyright violations or patent violations, all of the intellectual property issues, for a variety of reasons on the person who is actually entitled to the use of the product.

On the other hand, there is also an interest in seeing that, in terms of the marketplace, that people should be allowed to proceed with the manufacture and sale of products unless there is a compelling reason not to allow them to do that. And a compelling reason in our case would be the existence of an enforceable trademark that should prevent them from doing it. So

I think that the public interest is seriously involved, whichever way the Court would proceed here. Does that cover it?

MR. YOUNG: That does cover it.

THE COURT: Anything else?

MR. KRAAI: No, Your Honor.

THE COURT: Again, I want to thank you very much for the quality of your written materials and for the quality of your oral presentations here this afternoon. Thank you very much.

*** EXCERPT CONCLUDED ***

CERTIFICATE

I, KAREN S. HANNA, certify that the foregoing transcript constitutes a true and accurate transcript of the original shorthand notes of the proceedings had at the time and place aforesaid before the HONORABLE MICHAEL M. MIHM, Chief U.S. District Judge.

/s/ Karen S. Hanna — 3/21/96

Karen S. Hanna, CSR — Date
License #084-001760

APPENDIX D

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

ILLINOIS HIGH SCHOOL ASSOCIATION,
Plaintiff,

v.

GTE VANTAGE INCORPORATED,
Defendant.

Case No. 96-1119

ORDER

Before this Court is Plaintiff's Motion for Expedited Reconsideration, filed April 3, 1996. Defendant filed a Brief in Opposition to Reconsideration on April 11, 1996. For the reasons set forth herein, this Court DENIES the Motion for Expedited Reconsideration.

A motion to reconsider is only available to " 'correct manifest errors of law or fact or to present newly discovered evidence.' " *Publishers Resource, Inc. v. Walker-Davis Publications, Inc.*, 762 F.2d 557, 561 (7th Cir. 1985) (quoting *Keene Corp. v. International Fidelity Ins. Co.*, 561 F. Supp. 656, 665-66 (N.D.Ill. 1982)). Motions to reconsider are not to be used to "rehash" the arguments presented during the motion for summary judgment. *In re Oil Spill by "Amoco Cadiz"*, 794 F. Supp. 261, 267 (N.D. Ill. 1992).

In the IHSA's Motion for Expedited Reconsideration, it argues the same facts and several of the same cases previously before this Court during the Motion for Preliminary Injunction. IHSA's Memorandum does not submit any controlling case law which demonstrates that this Court's earlier ruling was a manifest error of law. Additionally, many of the facts set forth in the Memorandum are those which this Court found to be true during

the hearing on the Preliminary Injunction. Nothing in the Memorandum suggests that this Court made a manifest error of law in its findings. Therefore, this Court DENIES the Motion for Expedited Reconsideration.

ENTERED this 15th day of April, 1996.

/s/ Michael M. Mihm

Michael M. Mihm
Chief United States District Judge

APPENDIX E

Trial Testimony, H. David Fry, 3/20/96 AM
Page 21, line 15 to page 25, line 12

Q: Does the IHSA have a presence on the World Wide Web of the Internet?

A: Yes, it does. IHSA has established its own web site and has a substantial amount of March Madness information contained there.

Q: From where can that web site be viewed?

A: Well, it can be viewed from anyone's home computer who has subscription to the service that accesses the web, but it can be accessed directly under the IHSA's web site address. It can also be accessed through a license, a licensed use of the March Madness mark through the Chicago Tribune Online.

Q: Is what we have here as an example? This, Your Honor, is Plaintiff's Exhibit 13. Is this the IHSA home page on the network?

A: This is material from the IHSA home page.

Q: I will also put up Exhibit 17 and ask you if that's the Chicago Tribune's World Wide Web site?

A: Yes, this is from the Tribune Online. It's Online Tribune Sports Section, the March Madness Scrapbook. That particular section contains both historical stories that were written in the Tribune, statistical information, a linkage access to the IHSA home page, interactive video clips from tournament games, etcetera.

Q: Is there a notice of your trademark rights on that?

A: Well, there is—the Chicago Tribune includes on that home page the statement that March Madness is a

trademark of the Illinois High School Association and is used by the Chicago Tribune Company under license.

Q: The Tribune home page, where is that accessible from?

A: That, too, is accessible under the address of the Chicago Tribune Online, but to people all over the world, as I understand it, who have access to online services.

Q: Are there any other uses of the March Madness trademark that you can speak to today?

A: March Madness trademark in terms of uses by the Illinois High School Association?

Q: By or under license from the Illinois High School Association.

A: Uses by the Illinois High School Association, we have published two books entitled "The March Madness Encyclopedia", one focusing on boys' basketball and one focusing on girls' basketball. This is historical records and a substantial amount of detailed data concerning those tournaments back to their inception.

Q: I show you Plaintiff's Exhibit 10 and ask you if that's what you are referring to?

A: Yes, this is the boys' basketball "March Madness Encyclopedia".

Q: Where has that been distributed?

A: That has been distributed to our new media list which includes sources such as ESPN, USA Today, a variety of newspaper, radio and television entitles around the country. It has been distributed within the state. It has been sold both by mail order and on site at our state basketball tournament and I believe information concerning its purchase is accessible through the IHSA web site home page.

Q: Are there other uses of the March Madness trademark?

A: Yes. IHSA has licensed that mark for use by PepsiCo in connection with its soft drinks. It has been used predominantly in relation to Mountain Dew. PepsiCo has also produced a commemorative can that has been distributed this year utilizing the March Madness mark.

Q: I will show you Plaintiff's Exhibit 15. Is that an example of that can?

A: Yes, it is.

Q: I would also like to show you Plaintiff's Exhibit 14 and ask you if that is also a licensed use of the March Madness trademark?

A: These are pictures of the advertising materials, the design and the art work and the inclusion of the March Madness mark that PepsiCo presented to us for our approval in connection with their license to use the mark in a store advertising display with March Madness.

Q: Did they actually use the mark as proposed there?

A: Yes, they did.

Q: When was that?

A: This was used in 1995 in grocery stores and other point of sales displays across the country.

Q: Are there other uses of the March Madness trademark under license?

A: Yes. IHSA, in addition to the Chicago Tribune and PepsiCo licenses, has entered a license with Wilson Sporting Goods for use of the March Madness mark on basketballs to be sold in the retail market. The mark is also licensed to Wilson for use on practice wearing

apparel, shorts and T-shirts and other basketball paraphernalia like coaches' notebooks.

Q: I show you Plaintiff's Exhibit 16 and ask you if that is an example of Wilson's licensed use?

A: Yes. These are photos of three examples of art work which we approved to be used on Wilson produced basketballs, both rubber and synthetic leather balls.

Q: Has Wilson actually produced and sold those basketballs?

A: Yes, they have. They are in retail marketplaces now and we sold some of those balls at our state tournament in our IHSA store at our March Madness Experience.

Q: Have they been sold nationally?

A: To my knowledge they have been.

(2)

Supreme Court, U.S.
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No. 96-1021

In The

Supreme Court of the United States

October Term, 1996

ILLINOIS HIGH SCHOOL ASSOCIATION,

Petitioner,

vs.

GTE VANTAGE INCORPORATED,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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50 P

QUESTIONS PRESENTED FOR REVIEW

1. Whether the courts below correctly denied IHSA's request to enjoin use of the mark MARCH MADNESS on goods related to the NCAA college basketball tournament, because there had been fifteen years unchallenged public identification of the mark with the NCAA tournament, IHSA had only used the mark regionally in connection with its high school basketball tournament, and the NCAA had prior use of the mark in connection with its tournament and related goods.

2. Whether media use of a trademark is evidence of its meaning to the public and its association and public identification with a particular source.

3. Whether the Seventh Circuit Court of Appeals "created a new dual-use trademark" which "undermines the long accepted function and understanding of trademarks."

4. Whether the Seventh Circuit Court of Appeals held that media use of MARCH MADNESS "divested" the IHSA of its rights in the mark, "transferred" those rights to another, or "upset the balance between trademark protection and the First Amendment."

5. Whether this case of first impression is appropriate for review by this Court.

RULE 29.6 STATEMENT

The parent company of GTE Vantage Incorporated is GTE Corporation. GTE Vantage Incorporated has no subsidiaries. GTE Vantage Incorporated is a licensee of the National Collegiate Athletic Association with regard to the trademark at issue in this case.

TABLE OF CONTENTS

	Page
Questions Presented for Review	i
Rule 29.6 Statement	ii
Table of Contents	iii
Table of Citations	iv
Opinions Below	1
Statement of Jurisdiction	1
Statutory and Constitutional Provisions Involved	1
Abbreviations in this Brief	1
Statement of the Case	2
Statement of Facts	3
Reasons for Denying the Writ	6

I. Whether The Courts Below Correctly Denied IHSA's Request To Enjoin Use Of The Mark MARCH MADNESS On Goods Related To The NCAA College Basketball Tournament, Because There Had Been Fifteen Years Unchallenged Public Identification Of The Mark With The NCAA Tournament, The IHSA Had Only Used The Mark Regionally In Connection With Its High School Basketball Tournament, And The NCAA

Contents

Page

Had Prior Use Of The Mark In Connection With Its Own Tournament And Related Goods. 6

II. Whether Media Use Of A Trademark Is Evidence Of Its Meaning To The Public And Its Association And Public Identification With A Particular Source. 11

III. Whether the Seventh Circuit Court Of Appeals "Created A New Dual-Use Trademark" Which "Undermines The Long Accepted Function And Understanding Of Trademarks." 15

IV. Whether The Seventh Circuit Court Of Appeals Held That Media Use Of MARCH MADNESS "Divested" IHSA Of Its Rights In The Mark, "Transferred" Those Rights To Another, Or "Upset The Balance Between Trademark Protection And The First Amendment." 17

V. Whether This Case Of First Impression Is Appropriate For Review By This Court. 19

Conclusion 20

TABLE OF CITATIONS

Cases Cited:

American Steel Foundaries v. Robertson, 269 U.S. 372 (1926) 7, 8

Contents

	Page
American Stock Exchange, Inc. v. American Express Co., 207 U.S.P.Q. 356 (TTAB 1980)	9
Boston Athletic Association v. Sullivan, 867 F.2d 22 (1 Cir. 1989)	10
Brockum v. Blaylock, 729 F. Supp. 438 (E.D. Pa. 1990)	10
Castle Oil Corp. v. Castle Energy Corp., 26 U.S.P.Q. 2d 1481 (E.D. Pa. 1992)	8
Coca-Cola Company v. Busch, 44 F. Supp. 405 (E.D. Pa. 1942)	9
Cuban Cigar Brands N.V. v. Upmann Int'l, Inc., 457 F. Supp. 1090 (S.D.N.Y. 1979), *aff'd without opinion*, 607 F.2d 995 (2 Cir. 1979)	7, 10
El Greco Leather Products Co. v. La Muir, Inc., 806 F.2d 392 (2 Cir. 1986)	6
General Talking Pictures Corp. v. Western Electric Co., 304 U.S. 175 (1938)	20
In Re Leatherman Tool Group, Inc., 32 U.S.P.Q. 2d 1443 (TTAB 1994)	12
In Re Medical Disposables Co., 25 U.S.P.Q. 2d 1801 (TTAB 1993)	12

Contents

Page

In Re Northland Aluminum Products, Inc., 777 F.2d 1556 (Fed. Cir. 1985) 12

Keebler Co. v. Roving Biscuit Corp., 624 F.2d 366 (1 Cir. 1980) 11

Kentucky Fried Chicken Corp. v. Diversified Packaging Corp., 549 F.2d 368 (5 Cir. 1987) 6

Loctite Corp. v. National Starch and Chemical Corp., 516 F. Supp. 190, 211 U.S.P.Q. 237 (S.D.N.Y. 1981) 12

Motor Master Products Corp. v. Motor Masters Warehouse, Inc., 463 F. Supp. 232 (E.D. Pa. 1978) 8

Murphy Door Bed Co., Inc. v. Interior Sleeping Systems, Inc., 874 F.2d 95 (2 Cir. 1989) 13, 14

National Cable Television Association, Inc. v. American Cinema Editors, Inc., 937 F.2d 1572 (Fed. Cir. 1991) 9

Pieper v. Playboy Enterprises, Inc., 179 U.S.P.Q. 318 (TTAB 1973) 9

Polymer Technology Corp. v. Mimram, 975 F.2d 58, *after remand*, 37 F.3d 74 (2 Cir. 1994) 6

Contents

	Page
Qualitex Co. v. Jacobson Products Co., __ U.S. __, 115 S. Ct. 1300 (1995)	6
Saxlehner v. Eisner & Mendelson Co., 179 U.S. 19 (1900)	13
Selchow & Rigter Co. v. McGraw-Hall Book Company, 580 F.2d 25 (2 Cir. 1978)	13, 14
Shell Oil Co. v. Commercial Petroleum, Inc., 928 F.2d 104 (4 Cir. 1981)	6
Sunmark, Inc. v. Ocean Spray Cranberries, Inc., 64 F.3d 1055 (7 Cir. 1955)	12
The American Thermos Products Company v. Aladdin Industries, Inc., 207 F. Supp. 9 (D. Col. 1962), *aff'd sub. nom., King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2 Cir. 1963)	13, 14
United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90 (1918)	7, 8
United States v. Steffens, 100 U.S. 82 (1879)	7
University of Notre Dame DuLac v. J.C. Gourmet Foods Import, Co., 703 F.2d 1372 (Fed. Cir. 1983)	7, 10
Volkswagonwerk v. Wheeler, 814 F.2d 812 (1 Cir. 1987)	7

Contents

Page

Zazu Designs v. L'Oreal S.A., 979 F.2d 499 (7 Cir. 1992) 7

Statutes Cited:

15 U.S.C. § 1064(3) 7, 10

15 U.S.C. § 1125(a) 7, 10

15 U.S.C. § 1127 ..... 6, 18

United States Constitution Cited:

First Amendment 1, 11, 17, 18, 19, 20

Rule Cited:

Supreme Court Rule 10 19

Other Authorities Cited:

Gilson, *Trademark Protection & Practice*, Vol. 1, § 2.02[7] 13, 14

Gilson, *Trademark Protection & Practice*, Vol. 1, § 3.03[2][d] 7

McCarthy, *Trademarks and Unfair Competition*, Vol. 2, § 16.03 7

Contents

Page

APPENDIX

Appendix A — Example of Media Use Taken From D. Ex 18 ..... 1a

Appendix B — Excerpts of Transcript of Proceedings Dated March 20, 1996 ..... 8a

OPINIONS BELOW

Respondent GTE Vantage Incorporated ("GTE") concurs in Petitioner's statement of the Opinions Below.

STATEMENT OF JURISDICTION

GTE concurs in Petitioner's Statement of Jurisdiction.

STATUTORY AND CONSTITUTIONAL PROVISIONS INVOLVED

GTE concurs in Petitioner's statement of the statutory provisions involved; however, Respondent does not agree that the First Amendment of the Constitution of the United States, U.S. Const. Amend I, is involved in this case.

ABBREVIATIONS IN THIS BRIEF

"GTE" means GTE Vantage Incorporated.

"NCAA" means National Collegiate Athletic Association.

"IHSA" means Illinois High School Association.

"Petitioner's Appendix, p.__" refers to a page or pages in the Appendix which is part of the Petition for a Writ of Certiorari.

"Respondent's Appendix, p.__" refers to a page or pages in the Appendix which is a part of this Brief in Opposition.

"Tr. __" refers to a page or pages in the transcript of the proceedings in the District Court.

"P. Ex __" and "D. Ex __" refer, respectively, to the

numbers of plaintiff's and defendant's exhibits admitted in evidence in the District Court.

STATEMENT OF THE CASE

On March 6, 1996, IHSA sued GTE for infringement of the mark MARCH MADNESS, based upon GTE's use of that mark in a web page promotion of a computer game entitled "NCAA Championship Basketball," which GTE markets under a license from the NCAA. IHSA asked for a preliminary injunction.

At the injunction hearing, the parties agreed to certain evidence, and IHSA presented a witness concerning the nature and scope of IHSA's use of the mark. The District Court refused to enjoin GTE, finding, *inter alia,* that IHSA's past use and rights in the mark were limited to its high school basketball tournament and the Illinois region; that attempts to expand that use beyond the IHSA tournament came after the public had associated the term with the NCAA college championship basketball tournament; that GTE's use of the mark was via license from the NCAA and clearly in connection with the NCAA tournament; and that there was no likelihood of confusion. (Petitioner's Appendix, pp. 11a-12a, 13a, 14a-17a). IHSA's motion for expedited reconsideration was denied, and it appealed to the United States Court of Appeals for the Seventh Circuit.

On October 30, 1996, the Court of Appeals held that the preliminary injunction sought by IHSA was rightly denied by the district court, and that the IHSA's trademark rights did not extend to the NCAA tournament and to merchandise such as GTE's game that is sold in connection with that tournament. The court expressly refrained from opining on the scope of the trademark rights of either IHSA or NCAA. (Petitioner's Appendix, p. 7a).

STATEMENT OF FACTS

Until very recently, IHSA's use of MARCH MADNESS was limited to the Illinois High School Basketball Tournament and was, at most, regional in scope.

Before 1980, IHSA used the mark on Illinois high school basketball tournament programs, in a book, in bulletins, and on souvenir cups, all of which were distributed at the Illinois tournament site or from the IHSA office, principally to Illinois residents. (Respondent's Appendix, pp. 6a-10a; Petitioner's Appendix, p. 11a: and Tr. 19, 20). IHSA says it gave verbal approval to some other state high school associations to use MARCH MADNESS in the early 1970's (Petitioner's Appendix 13a and Tr. 21, 43), but there was no evidence of actual use by any such associations.

At least as early as 1981, the national media began using MARCH MADNESS in connection with the NCAA tournament. (D. Ex. 18, Doc. N57; Boston Globe, March 9, 1981; *see also* sample media references at Respondent's Appendix, pp. 2a-6a; and Petitioner's Appendix, pp. 2a, 11a, and 12a). The mark was picked up universally by sportscasters and used over the years in connection with the NCAA tournament. (Petitioner's Appendix 11a-13a) The media and public have used the mark in connection with the NCAA tournament ever since (D. Ex. 18), and the courts below found that the public had come to associate MARCH MADNESS with the NCAA tournament. (Petitioner's Appendix, pp. 2a, 5a, 6a-7a, 11a-13a).

IHSA used MARCH MADNESS on apparel in the 1980s; on souvenir shirts in 1983; on a video tape about the IHSA tournament in 1988; and on souvenir pins, sweatshirts, and caps in 1991. All of these goods specifically related to and

referenced the Illinois high school basketball tournament, and all were sold either at the tournament site or at the IHSA office, principally to Illinois residents. (Respondent's Appendix, pp. 7a-10a; Petitioner's Appendix, p. 15a). The mark was also placed on clothing by merchants in the Champaign, Illinois area without any formal license, and without advance permission of IHSA. (Respondent's Appendix, pp. 14a-15a). IHSA said that, at times, radio and television stations carried parts of the tournament, but there was no evidence of what stations or of actual use of the mark in any broadcasts. (Respondent's Appendix, p. 12a; Petitioner's Appendix, p. 15a; and Tr. 26).

On February 22, 1993, the NCAA applied to the U.S. Patent and Trademark Office to register MARCH MADNESS for use in connection with its tournament (D. Ex. 40 and 26), and, in May, 1994, IHSA applied to register MARCH MADNESS for its tournament; both applications have been suspended due to proceedings before the Trademark Trial and Appeal Board. IHSA has never owned a federal registration for MARCH MADNESS in connection with sanctioning, supervising and regulating high school basketball tournaments (or any tournaments), or for any related promotional goods. (Respondent's Appendix, p. 12a).

In 1993, the NCAA began to license use of MARCH MADNESS in order to control the goodwill surrounding its event. (Petitioner's Appendix, p. 2a and Tr. 8, 56; D. Ex. 24, Doc. N 0549; D. Ex. 25, Doc. N 0253).

Many third parties have also used the mark in connection with a variety of goods and services (D. Ex. 19; see also P. Ex. 32), such as restaurant services, golf course services, and retail furniture services.

The first time IHSA licensed or attempted to use MARCH

MADNESS in a context other than the Illinois high school basketball tournament was a license to PepsiCo in December 1994. (Respondent's Appendix 11a, 12a-13a). In mid to late 1995, IHSA licensed eleven other state high school associations to use MARCH MADNESS to promote their respective tournaments at their tournament sites, but not on products. The license fee was $10.00 for three years. (Respondent's Appendix, p. 10a and Tr. 33-4, 48). There was no evidence these state associations actually used the mark. The IHSA web site went on-line on January 15, 1996 (Respondent's Appendix, p. 11a) and uses the mark exclusively in relation to the Illinois high school basketball tournament. (Respondent's Appendix, p. 14a). In early 1996, IHSA also licensed Wilson Sporting Goods to use the mark on basketballs and apparel. (Respondent's Appendix 11a and Tr. 24-5; P. Ex. 16).

In 1996, after receiving a license from the NCAA, GTE began promoting its CD-ROM game entitled "NCAA Championship Basketball." (D. Ex. 1) GTE uses MARCH MADNESS, along with "NCAA," on its web page (D. Ex. 17), its magazine advertisements (D. Ex. 7), the back side of its game packaging (D. Ex. 11), and one of the computer screens in the game (D. Ex. 6). The game is specifically tied to the NCAA tournament and 64 major college participants (also licensed).

On February 29, 1996, IHSA told GTE to either stop using the mark (P. Ex. 22, Doc. I 1549) or take out a license with IHSA. (D. Ex. 16) GTE refused, and, on March 6, 1996, IHSA filed the this case and moved for a preliminary injunction.

REASONS FOR DENYING THE WRIT

I.

WHETHER THE COURTS BELOW CORRECTLY DENIED IHSA'S REQUEST TO ENJOIN USE OF THE MARK MARCH MADNESS ON GOODS RELATED TO THE NCAA COLLEGE BASKETBALL TOURNAMENT, BECAUSE THERE HAD BEEN FIFTEEN YEARS UNCHALLENGED PUBLIC IDENTIFICATION OF THE MARK WITH THE NCAA TOURNAMENT, THE IHSA HAD ONLY USED THE MARK REGIONALLY IN CONNECTION WITH ITS HIGH SCHOOL BASKETBALL TOURNAMENT, AND THE NCAA HAD PRIOR USE OF THE MARK IN CONNECTION WITH ITS OWN TOURNAMENT AND RELATED GOODS.

The Seventh Circuit's decision was based on the facts adduced at the hearing, and was well grounded in the following trademark law and principles.

A mark is a symbol of source for a product or service, 15 U.S.C. § 1127; it represents to the public a certain content or quality in an event or product. *E.g., Qualitex Co. v. Jacobson Products Co.*, __ U.S. __, 115 S. Ct. 1300 (1995); *El Greco Leather Products Co. v. La Muir, Inc.*, 806 F.2d 392, 395 (2 Cir. 1986); *Shell Oil Co. v. Commercial Petroleum, Inc.*, 928 F.2d 104, 108 (4 Cir. 1981); *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368 (5 Cir. 1987); *Polymer Technology Corp. v. Mimram*, 975 F.2d 58, *after remand*, 37 F.3d 74 (2 Cir. 1994).

A trademark does not represent rights in gross — it is only the specific application to goods or services in connection with

which the mark is used (or reasonable expansion) that is protected, *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 96 (1918); *American Steel Foundries v. Robertson*, 269 U.S. 372, 380 (1926); *University of Notre Dame DuLac v. J.C. Gourmet Foods Import, Co.*, 703 F.2d 1372 (Fed. Cir. 1983), nor can a mark be used to misrepresent one's goods as coming from another source. 15 U.S.C. §§ 1064(3) and 1125(a) *See Cuban Cigar Brands N.V. v. Upmann Int'l, Inc.*, 457 F. Supp. 1090 (S.D.N.Y. 1979), *aff'd without opinion*, 607 F.2d 995 (2 Cir. 1979).

Trademark rights grow out of use and association, not from creating, inventing, originating or acquiring "title" to the mark. *United States v. Steffens*, 100 U.S. 82, 94 (1879); McCarthy, *Trademarks and Unfair Competition*, Vol. 2, § 16.03, p. 16-16. The rights belong to the one who first uses the mark ***in connection with a particular line of business***. *Volkswagonwerk v. Wheeler*, 814 F.2d 812 (1 Cir. 1987). As stated in Gilson, *Trademark Protection & Practice*, Vol. 1, § 3.03 [2][d]:

> To establish actual, as opposed to constructive use priority rights it is necessary to make actual use of the mark on the goods or in association with the services.

Moreover, as to marks which have acquired secondary meaning, McCarthy, *Trademarks and Unfair Competition*, Vol. 2, § 16.12, p. 16-42, states:

> The territorial extent of secondary meaning may be limited, and if this is so, it will limit the rights of the user.

The Seventh Circuit recognized these principles in *Zazu Designs v. L'Oreal S.A.*, 979 F.2d 499 (7 Cir. 1992) (common law

trademark rights depend on the geographic scope of use and the differences in the services involved). This Court articulated similar principles in *United Drug Co. v. Theodore Rectanus Co., supra*, 248 U.S. 90 (1918) (geographic limitation) and *American Steel Foundries v. Robertson, supra*, 269 U.S. 372 (1926) (limitation as to type of goods or services).

Even the presumptive validity of a trademark registration applies only to the goods or services listed in the registration, 15 U.S.C. § 1115(b). *See also Motor Master Products Corp. v. Motor Masters Warehouse, Inc.*, 463 F. Supp. 232 (E.D. Pa. 1978); *Castle Oil Corp. v. Castle Energy Corp.*, 26 U.S.P.Q. 2d 1481 (E.D. Pa. 1992).

The decisions of the courts below embody the above principles: IHSA cannot have unlimited "rights in gross" in MARCH MADNESS. IHSA's rights in the mark are only those coterminous with its actual use of the mark. IHSA's actual use of the mark, as found by the District Court (and not challenged here or in the Seventh Circuit), is limited in both scope and geographic area.

Here, over a fifteen year period (1981 to date), MARCH MADNESS became associated with the NCAA tournament (*see* sample media references at Respondent's Appendix, pp. 2a-6a; *see also* Petitioner's Appendix, pp. 2a, 5a, 11a-13a), while IHSA continued to use the mark in connection with its tournament in the Illinois region. IHSA's attempts to expand its use of the mark started in December 1994, after the NCAA had begun licensing the mark in 1993, and long after the public use of the mark to denote the NCAA tournament. Thus, although the IHSA is a senior user of the mark in connection with its high school basketball tournament, it is the junior user of the mark in connection with the NCAA tournament.

The media and resulting public use of the mark created an association and secondary meaning in the mark when used in connection with the NCAA tournament. Legal precedent shows that such use gave the NCAA rights in MARCH MADNESS.

For example, *Coca-Cola Company v. Busch*, 44 F. Supp. 405 (E.D. Pa. 1942), held that the public's use of "Coke" created rights in Coca-Cola — even though it never used the mark itself — which were senior to defendant's use of "Koke." And, *American Stock Exchange, Inc. v. American Express Co.*, 207 U.S.P.Q. 356 (TTAB 1980), held that public references to American Express as AMEX made American Express senior to the American Stock Exchange in such use:

> Further, it has been held that where the public has come to associate a term with a particular company and/or its goods and services as a result, for example, of use of the term in the trade and by the news media, that company has a protectable property right in the term, even if the company itself has made no use of the term.

Id. at 364. *See also National Cable Television Association, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572 (Fed. Cir. 1991) (widespread use by third parties is sufficient association of mark with defendant); and *Pieper v. Playboy Enterprises, Inc.*, 179 U.S.P.Q. 318 (TTAB 1973) (newspaper use of "BUNNY CLUB" as synonym for Playboy Club from 1962 to 1965 created rights in Playboy superior to Pieper's 1964 use for same services).

The results of fifteen years of media and public use of the mark in connection with the NCAA tournament were twofold: the right of the IHSA to expand its limited use and control of

the mark was diminished; and the NCAA acquired a right in the mark via its cumulative, strong association with the NCAA tournament. Moreover, IHSA's limited rights in the mark have been weakened over the years due to its allowing businesses to use the mark in connection with the high school basketball tournament without IHSA control (Respondent's Appendix, pp. 14a-15a; Petitioner's Appendix, pp. 3a-4a, 5a and Tr. 47-8) and unrestricted use of the mark by others. (Petitioner's Appendix, pp. 5a; *see also* D. Ex. 19, examples of such uses).

Further, in the case of "event" related products, as here, the case law indicates that it is the event sponsor that has the right to control merchandise related to the event. *Boston Athletic Association v. Sullivan*, 867 F.2d 22 (1 Cir. 1989) (sponsor of the Boston Marathon had a right to control promotional merchandise, even though the infringer was the first party to make such promotional merchandise, and even though the merchandise at issue did not utilize any of the sponsor's trademarks); *Brockum v. Blaylock*, 729 F. Supp. 438 (E.D. Pa. 1990) (event sponsor is the party entitled to benefit from the goodwill of the event; defendant could not obtain a 'free ride' at the plaintiff's expense).

The IHSA does not and cannot have any control over the conduct, content, or quality of the NCAA tournament and, thus, cannot use or control the use of the mark in connection with that tournament. The use of a mark in connection with the goods or services of another is a misrepresentation of source and, if there is a registration, subjects it to cancellation on that ground alone. 15 U.S.C. §§ 1064(3) and 1125(a). *See University of Notre Dame DuLac v. J.C. Gourmet Foods Import Co., supra*, and *Cuban Cigar Brands N.V. v. Upmann Int'l, Inc., supra*. The NCAA is entitled to capitalize on the media's use of the mark in connection with its tournament (here, by license to GTE), because it conducts, operates, and controls that event.

Moreover, IHSA admitted below that it does not think there will be any confusion of products (Respondent's Appendix, pp. 13a-14a, 15a), which is sufficient basis to affirm the denial of the injunction. Indeed, IHSA's belief that there will be no confusion is quite well grounded, because, for over fifteen years, the mark has been used concurrently in connection with both the NCAA and IHSA tournaments without the slightest confusion on anyone's part. *Keebler Co. v. Roving Biscuit Corp.*, 624 F.2d 366 (1 Cir. 1980) (many years of coexistence without actual confusion is strong evidence that there is no likelihood of confusion).

The denial of IHSA's requested injunction was well grounded in existing law; was correctly decided based on the facts of this case; and is not contradicted by or contrary to any decision of this or any other court. The petition should be denied.

II.

WHETHER MEDIA USE OF A TRADEMARK IS EVIDENCE OF ITS MEANING TO THE PUBLIC AND ITS ASSOCIATION AND PUBLIC IDENTIFICATION WITH A PARTICULAR SOURCE.

IHSA does not dispute the public identification of the mark with the NCAA; indeed, IHSA's thesis is that the courts below should have ***ignored*** the identification of the mark with the NCAA tournament, because it was spawned by the media, which IHSA says it was powerless to stop due to the First Amendment. IHSA advances its thesis because it believes that, if media references are ignored, it will then have fee simple title to a mark of undiminished strength, and the right to control all commercial uses of the mark.

As shown above, IHSA's argument is legally wrong. It never had the unlimited right it claims; its expansion rights were limited; and, meanwhile, the NCAA acquired rights in the mark. The viability of IHSA's mark is critically linked to its ability to indicate a source. If a mark has come to identify another source or sources, that fact cannot be ignored because of the means by which the source shift was effected.

The cases cited by IHSA (Petition, p. 12) are beside the point. None involve the media using one party's mark in association with another party's goods or services. Moreover, this case is not against the media, and **how** the media used the mark is irrelevant.

Here, the media exhibits are **evidence** which shows: (1) the mark **was** used in connection with the NCAA tournament **for a very long time**, and long before IHSA attempted to assert control over NCAA use of the mark; and (2) the public came to understand that MARCH MADNESS **meant** the NCAA tournament. It is the end result — the public **association** of the mark with the NCAA tournament — which is pertinent, and that fact is not in dispute.

Evidence of the public's understanding of a term may be obtained from any competent source, including newspapers and other publications. *E.g., In Re Northland Aluminum Products, Inc.*, 777 F.2d 1556, 1559 (Fed. Cir. 1985); *In Re Leatherman Tool Group, Inc.*, 32 U.S.P.Q. 2d 1443, 1449 (TTAB 1994); *In Re Medical Disposables Co.*, 25 U.S.P.Q. 2d 1801, 1804 (TTAB 1993). *And see, Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1059 (7 Cir. 1955) (newspaper articles referenced to show that "sweet-tart" was descriptive); *Loctite Corp. v. National Starch and Chemical Corp.*, 516 F. Supp. 190, 211 U.S.P.Q. 237, 245 (S.D.N.Y. 1981) (based on media usage, "superglue" was generic).

And, in *The American Thermos Products Company v. Aladdin Industries, Inc.*, 207 F. Supp. 9, 14 (D. Col. 1962), *aff'd sub. nom., King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2 Cir. 1963), even though the plaintiff acted against other commercial uses, its failure to act with respect to "the unorganized public exclusive of those in the trade" caused the mark THERMOS to become generic. In *Selchow & Rigter Co. v. McGraw-Hall Book Company*, 580 F.2d 25 (2 Cir. 1978), the possibility that defendant's use would render a mark generic was ground for an injunction. *Murphy Door Bed Co., Inc. v. Interior Sleep Systems, Inc.*, 874 F.2d 95, 101 (2 Cir. 1989), held that regardless of efforts to police, once a mark enters the public domain beyond recall, policing is of no consequence.

IHSA's position that it could not (or should not be required to) challenge media use is simply wrong. As stated in Gilson, *Trademark Protection & Practice*, Vol. 1, § 2.02[7], pp. 2-51:

> In addition to avoiding any generic use of the mark himself, a trademark owner must seek out and challenge misuse of the mark by the public, the industry, the Patent & Trademark Office, trade and consumer publications, and others. It may not be sufficient to limit his challenges to those which come to his attention.

IHSA complains that "the Seventh Circuit's decision would compel mark owners to do everything in their power to halt all non-commercial uses of their marks." But, this is nothing new. *See Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 33 (1900). Assuming, *arguendo*, a mark-owner has no cause of action against one in the media who uses the mark to indicate source indicativeness of another's product (no case cited by the Petitioner so holds), the owner still must act or risk the consequences of association of that mark with another.

There are numerous examples of trademark owners challenging journalists, albeit not in suit. The owners of the JOCKEY and ANT FARM marks were subjected to ridicule by humorists, but the point was made, and the marks were protected. (Exhibit B to GTE's Brief in Opposition To Motion for Reconsideration). Xerox chose to wage its battle against improper use in the media and reference texts by launching an informational advertising campaign, all aimed at the public perception which IHSA believes should be ignored. Gilson, *Trademark Protection & Practice*, Vol. I, § 2.02[7], pp. 2-51, ft. 98, quotes one of the series of Xerox advertisements used to combat public and media mis-use. *See also American Thermos, supra,* and *Selchow & Righter Co., supra.*

For decades, IHSA neither protested nor otherwise tried to protect its regional mark. Instead, it allowed the public consciousness to connect the term with the NCAA tournament. The IHSA cannot now ignore its inaction, nor, as stated in *Murphy Door Bed Co., Inc v. Interior Sleeping Systems, Inc.*, 874 F.2d 95, 101 (2 Cir. 1989), ignore public perception once public association has occurred. There is no justification for ignoring media reports. And, even if there were, IHSA would not thereby be endowed with rights it never had, nor would the association of the mark with the NCAA tournament be erased.

The courts below considered the media reports as **evidence** of the association of MARCH MADNESS with the NCAA tournament, and nothing more. This is perfectly consistent with existing law, and is certainly not contrary to any decision of this or any other court. To have ignored such evidence would have been to ignore the *sine qua non* of trademark law — the source indicated by a mark — and to ignore the reality that, to the public, MARCH MADNESS means the NCAA tournament. Thus, the petition should be denied.

III.

WHETHER THE SEVENTH CIRCUIT COURT OF APPEALS "CREATED A NEW DUAL-USE TRADEMARK" WHICH "UNDERMINES THE LONG ACCEPTED FUNCTION AND UNDERSTANDING OF TRADEMARKS."

The Seventh Circuit did not "create a new dual-use trademark," as IHSA continually asserts in its Petition. The court's opinion states nothing of the kind, and the concept of "dual use" of trademarks is, in any event, hardly novel.

In its arguments to the Seventh Circuit, IHSA insisted that the existing case law which allowed media reports to be considered as evidence of the public's understanding of a term (especially in genericness cases) was not applicable to IHSA, because MARCH MADNESS was not generic, but, rather, was the name of both the IHSA and NCAA tournaments. As the Seventh Circuit correctly observed,

> We cannot see what difference that makes. There is no magic in labels. Let 'March Madness' be called not a quasi-generic term, or a term on its way to becoming generic, but a dual-use term. Whatever you call it, its a name that the public has affixed to something other than, as well as, the Illinois high school basketball tournament. A trademark owner is not allowed to withdraw from the public domain a name that the public is using to denote someone else's good or service, leaving that someone and his customers speechless. . . . It is a case of first impression, and we think that for the

> sake of effective communication it should be resolved against trademark protection, thus assimilating dual-use or multiple-use terms to generic terms.

(Petitioner's Appendix, pp. 5a-6a). The court's statement is far from the creation of "a new dual-use trademark," and even farther from "undermining the long accepted function and understanding of trademarks." The court, as quoted, simply recognizes that (1) MARCH MADNESS means two distinct services — the NCAA tournament and related promotional products, as well as the IHSA tournament and related promotional products; (2) the fact that many of the "media reference" cases (cases which have used media evidence to show the public understanding of a term) have been genericness cases is not a basis to ignore or distinguish those cases, because the media reports are simply evidence of the meaning of the term to the public; and, ultimately; (3) the public understanding of MARCH MADNESS cannot be ignored so as to permit IHSA to extrapolate its limited rights in the mark to cover the NCAA tournament and related goods. (Petitioner's Appendix, p. 7a).

Moreover, dual-use or multiple-use trademarks are hardly novel. RAMS are pickup trucks and St. Louis football players; LEXIS is a computer service, while LEXUS is an automobile; WILDCATS are Kansas State University basketball players and Northwestern University basketball players; a ROLLING STONE is a magazine and a rock singer; VIKINGS are sewing machines and Minnesota football players; TIGERS are University of Missouri baseball players and a Detroit baseball players; and AMEX is the American Stock Exchange and American Express, to name but a few.

IHSA's assertion that trademarks may, under the Seventh Circuit's decision, "now identify more than one source for the

same and related goods and services, sold in the same geographic region, through the same channels of trade" (Petition, p. 8) is simply ridiculous. Indeed, the Seventh Circuit, said such dual-use situations should be resolved "against trademark protection." (Petitioner's Appendix, p. 6a). IHSA's assertion also implies that MARCH MADNESS is such a mark, which it is not. The NCAA and IHSA tournaments and their related goods are not the same; they are not sold in the same geographic regions; and they are not sold through the same channels of trade. The fact that IHSA and NCAA MARCH MADNESS have coexisted for over fifteen years without the slightest confusion on the part of anyone is ample evidence of this clearly understood distinction. Thus, the courts below did not "undermine the long accepted function and understanding of trademarks."

The Seventh Circuit's decision dealt with a "novel issue of trademark law," an "issue of first impression." (Petitioner's Appendix, pp. 1a and 6a, respectively). Its decision, as well as the district court decision, was well grounded in existing precedent, consistent with trademark law and principles, and a correct and fair resolution of the facts. The Petition should be denied.

IV.

WHETHER THE SEVENTH CIRCUIT COURT OF APPEALS HELD THAT MEDIA USE OF MARCH MADNESS "DIVESTED" IHSA OF ITS RIGHTS IN THE MARK, "TRANSFERRED" THOSE RIGHTS TO ANOTHER, OR "UPSET THE BALANCE BETWEEN TRADEMARK PROTECTION AND THE FIRST AMENDMENT."

IHSA's assertions that it was divested of its rights, that its rights were transferred to NCAA, and that the balance between

trademark protection and the First Amendment was thus upset, are neither accurate nor logical.

IHSA neither had nor could have rights in gross to MARCH MADNESS. As shown above, and as found by the courts below, IHSA has typical, limited trademark rights consistent with its use of the mark. Its mark denotes the Illinois high school basketball tournament to those in the Illinois area; its rights are coterminous with that event and its source; **and, it still has those rights. IHSA was not divested of anything.**

IHSA's rights were, accordingly, **not transferred** to the NCAA, or anyone else. Had that been the case, the NCAA, not IHSA, would have the right to control the use of MARCH MADNESS in connection with the Illinois high school basketball tournament, a power neither the NCAA nor its licensee GTE have ever claimed or presumed. Indeed, it appears it is IHSA that wants a transfer of NCAA's right to control the use of MARCH MADNESS in connection with the NCAA tournament, a dubious proposition, because NCAA, not IHSA, is the source of the NCAA tournament. 15 U.S.C. §1127.

Since IHSA was the victim of neither a divestiture nor a forced transfer of its rights, its conclusion that the First Amendment was compromised does not follow.

In fact, IHSA's entire argument that the balance between trademark and First Amendment protections was upset by a "taking" of its trademark rights is illogical, as is its assertion that the Seventh Circuit's decision "threatens the protections provided by the First Amendment." (Petition, p. 13). It is not perceived how the media's First Amendment protection would be diminished by asking the media not to call the NCAA tournament the Super Bowl, nor is it perceived what delicate First Amendment/trademark balance has been upset by failing

to give IHSA a fifteen year "bye" in MARCH MADNESS. Under IHSA's theory, ASPIRIN may yet be resurrected as a trademark on the ground that the public had a First Amendment right to call all pain-relievers "aspirin."

This case is not, and never has been, about the First Amendment. Rather, the issue is whether media use is evidence of a mark's meaning to the public and its association and public identification with a particular source. The Seventh Circuit, based upon sound principles, reasoned that it was evidence, as it has been in the past. That ruling merely applies established law to a new factual circumstance; it does not diminish any right of the press under the First Amendment.

V.

WHETHER THIS CASE OF FIRST IMPRESSION IS APPROPRIATE FOR REVIEW BY THIS COURT.

As indicated by the Seventh Circuit, this was a case of first impression. It was decided based on well-established trademark precedent and principles. Indeed, as a case of first impression, it could hardly have been contrary to existing precedent. The decision was abundantly fair and correct, and, in any event, does not implicate the principles this court has indicated as important in determining whether to grant a writ of certiorari.

Under Supreme Court Rule 10, there are simply no compelling reasons justifying the grant of the IHSA's Petition. There are no conflicting decisions of any state or federal court, let alone conflicting decisions of United States Courts of Appeals.

The decisions of the courts below surely do not depart from the "accepted and usual course of judicial proceedings" so as to call for exercise of this Court's supervisory power.

There is no important question of federal law which needs to or should, be settled by this Court, nor is there any conflict with any precedent of this Court.

IHSA has advanced no reason why this Court should grant its Petition, save its spurious implication of the First Amendment, which has nothing to do with the decisions of the courts below, and is truly irrelevant to the principles involved in this case.

If, as it appears, IHSA's disagreement is with the inferences drawn from the evidence by the courts below, the petition should also be denied. *General Talking Pictures Corp. v. Western Electric Co.*, 304 U.S. 175, 178 (1938).

There is simply no reason justifying the grant of certiorari in this matter, and GTE asks the Court to deny the Petition.

CONCLUSION

The Seventh Circuit Court of Appeals correctly affirmed the decision of the District Court. This case is not appropriate for review by the United States Supreme Court. GTE asks this Court to deny ISHA's Petition for a Writ of Certiorari.

Respectfully submitted,

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APPENDIX A — EXAMPLE OF MEDIA USE TAKEN FROM D. EX 18

For convenient reference, a few examples of the media use are set out below (all taken from D. Ex 18) (emphasis added):

1. "Pro baseball, pro football, and pro basketball have left CBS' once-powerhouse sports schedule, but the **N.C.A.A. Division I men's basketball tournament**, the network's signature event, enrolled with the network today through 2002. . . . It will cost CBS an average $216 million annually to show the **event known as March Madness**."

New York Times, December 12, 1994 (D. Ex. 18, Doc. N2).

2. "**March Madness** will extend into April this spring.

"The **NCAA basketball playoffs** on CBS will roar into the semifinals next Saturday, . . ."

Boston Globe, March 27, 1983 (D. Ex. 18, Doc. N10).

3. "AW: What is **March Madness** to you?

"NR: **March Madness** is basketball at its best. It's when all of these teams, sixty four teams that qualify for the **National Championship tournament**, are getting ready to get it on. "

American Way Magazine, March 1, 1995 issue, in an interview with University of Arkansas Coach Nolan Richardson (D. Ex. 18, Doc. N13-15).

4. "**March Madness - the name given to the National Collegiate Athletic Association's men's tournament** that began yesterday — is a kind of divine Lunacy for CBS."

Appendix A

New York Times, March 18, 1994 (D. Ex. 18, Doc. N37).

5. Answer to New York Times Crossword Puzzle (as appeared in the Kansas City Star of February 11, 1994 clue "**March Madness org.**" was "**NCAA.**" (D. Ex. 18, Doc. N50-51).

6. "**March Madness**, in the form of the **NCAA basketball playoffs** on television, is more complicated than ever."

Boston Globe, February 28, 1982 (D. Ex. 18, Doc. N59).

7. "The **NCAA invitations** flew out of Shawnee Mission, Kan. yesterday afternoon, and the NCAA, at least, has noticed that Boston is becoming a college basketball city. For the second year in a row, both Northeastern and Boston College were asked to dance in the **March Madness**."

Boston Globe, March 8, 1982 (D. Ex. 18, Doc. N62).

8. "The **NCAA tournament**, otherwise known as Havoc in the Hinterlands or **March Madness**, is now down to the Sweet 16. The regional games begin tonight and tomorrow night in the not-so-sweet sites of Provo, Utah, Birmingham, Ala., Raleigh, N.C., and St. Louis."

Boston Globe, March 18, 1982 (D. Ex. 18, Doc. N64).

9. "The method to **March Madness** or The Road to Albuquerque or whatever this year's catchy phrase will be, is, of course Sampson. The two-time national player of the year (only Oscar Robertson and Bill Walton were named consensus

player of the year three times), Sampson came back for his senior season, turning down the pros for the third time."

Boston Globe, December 11, 1982 (D. Ex. 18, Doc. N67).

10. "The traditional **March Madness** of the **NCAA basketball playoffs** will be even madder this week on television because 1984's first round of 21 games has been expanded to 32."

Boston Globe, March 12, 1985 (D. Ex. 18, Doc. N75).

11. "Neither top-ranked Temple (32-1) nor fifth-ranked Duke (27-6) thinks it has to adjust to the other team's style of play. Both think they know the method to **March Madness**."

Boston Globe, March 26, 1988 (D. Ex. 18, Doc. N84).

12. "There's no way you can water it down. The SEC is 4-10 in the last three years in the **NCAA's March Madness**."

Houston Post, March 27, 1988 (D. Ex. 18, Doc. N88).

13. "Those who are fans of John Thompson and his program find little wrong with the way the season starts for their team as long as it keeps ending in the **NCAA Tournament**, and usually far along in that.

"The other side claims that the early matchups against teams which can't even play with the big boys during **March Madness** are an embarrassment and should be stricken from the record."

Appendix A

Houston Post, December 20, 1989 (D. Ex. 18, Doc. N89).

14. "Fisher goes home to Ann Arbor today 6-0 in his brief career as a college head coach, all six of those wins having come in the last month. He got promoted two days before **March Madness** convened, after Bill Frieder accepted the Arizona State job and was told to get lost by Athletic Director Bo Schembechler."

Houston Post, April 4, 1989 (D. Ex. 18, Doc. N92).

15. "What's the fuss here in Lawrence, Kan.? It's only Feb. 19 - too early for **March Madness**."

"But it is the day before a nationally televised game between Kansas and Duke."

* * *

"'It very much simulates **NCAA Tournament play**' Duke Coach Mike Krzyzewski said. Both teams will be in the tournament. We kind of look at it as a way of preparing for the NCAA's, what with CBS, the distractions like you guys staying here, and things like that."

St. Louis Post Dispatch, April 4, 1988 (D. Ex. 18, Doc. N137).

16. "The spectacle you see now, and for 60 hours on television, until the New Orleans finals on April 5, has been dubbed "**March Madness**" by the network hucksters and it is the grandest play-off of any — 112 college teams (64 men's, 48 women's) joyfully colliding, with their brass bands and cheerleaders and painted crazies in tow, in cities from Orlando,

Florida, to Salt Lake City, Utah. **March Madness** is one of the nation's three greatest athletic events . . ."

* * *

"If Bill Clinton thinks he is going to get the public ear about taxes or health care during this next few weeks, he is mistaken. A congressional aide confesses the three sets in his boss's office are on CNN, C-Span and **March Madness**. There is no contest. Let the country pause."

Time Magazine, March 29, 1993 (D. Ex. 18, Doc. N155-156).

17. Headline of article about the **NCAA tournament** finals reads: "The Way Balls Bounce Two spectacular athletes epitomize the highs and lows of **March Madness**."

Time Magazine, April 19, 1993 (D. Ex. 18, Doc. N155).

18. Headline: "First Moves Toward **March Madness**; Area Teams Begin Practice in Their Quest for **NCAA Tournament**."

"This spring, college basketball players from 64 schools will experience **March Madness**, and the hysteria that accompanies the start of the **NCAA tournament**. Later, athletes from four select institutions will have further cause for exhilaration — a berth in the Final Four on April 1."

Washington Post, October 16, 1988 (D. Ex. 18, Doc. N163).

19. "They don't call it **March Madness** for nothing."

"This year's **NCAA Men's and Women's college**

basketball tournaments, which tip off Thursday (men's) and Friday (women's), are turning out to be a marketing bonanza for advertisers hoping to capture a piece of the elusive Generation-X market. 'It's a premiere sports event that reaches fans, but also the light sports viewer,' says BBDO sports guru Steve Grubbs."

USA Today, March 12, 1996 (D. Ex. 18, Doc. N741).

20. "Last year's leading man, UCLA — the West's top seed — was a typical marquee attraction. Beset by immoderate pressures and on the verge of disaster through most of **March Madness**, the team finally came through with a grace-under-fire performance to defeat Arkansas, the previous years's leading man.

American Way Magazine, March 1, 1996 (D. Ex. 18, Doc. N743-746).

21. "To understand why fans call the next three weeks **March Madness**, one had only to spend time with Georgetown's Allen Iverson last week."

New York Times, March 11, 1996 (D. Ex. 18, Doc. N749).

22. "**MARCH MADNESS** 1. At the first **N.C.C.A. basketball championship**, in 1939, eight teams competed. This afternoon, 64 teams will be selected, as has been done since 1985. 2. Bill Bradley of Princeton holds the single-game Final Four scoring record, 58 points against Wichita State in 1965. 3. After leading UCLA to its third straight title in 1969, Lew Alcindor also won his third straight award as most outstanding player in the tournament. 4. Eddie Sutton is the only man to

coach tournament teams from four schools: Creighton, Arkansas, Kentucky and Oklahoma State. 5. Fifty years ago, a tournament game was televised for the first time on WCBS in New York. An audience estimated at 500,000 watched Oklahoma A&M (now Oklahoma State) defeat North Carolina, 43-40 at Madison Square Garden. 6. In 1970, the tournament produced $550,000 in TV revenue, this year's total is estimated at $178.3 million."

New York Times Sunday Magazine, March 10, 1996 (D. Ex. 18, Doc. N756).

Many additional examples of the media use of the mark in connection with the NCAA tournament are shown in D.Ex 18 and 43.

APPENDIX B — EXCERPTS OF TRANSCRIPT OF PROCEEDINGS DATED MARCH 20, 1996

Testimony of David Fry, IHSA Executive Director

[Page 28, line 6 to Page 36, line 23]

BY MR. KRAAI:

Q: You said a lot of things, Mr. Fry, and I want to make sure that I get them accurately.

You indicated that you have used March Madness on programs for your tournament?

A: Yes, I did.

Q: Those programs were used at the site of the tournament which over most of the years was in the Champaign-Urbana area?

A: Yes, they were.

Q: You indicated that you used March Madness in bulletins that you sent to member schools?

A: To schools and many others, yes.

Q: And those bulletins were about the Illinois high school basketball tournaments?

A: About a variety of the aspects of the tournament, including pairings information and credentials information, etcetera.

Q: And those were sent to the member schools in Illinois?

A: Schools, to the media, to those that had expressed interest and a need to have that information.

Q: The cups that you mentioned, I think you indicated you started using the cups in about maybe sometime before 1980?

A: Yes. Today I simply indicated that was a cup from 1980. In testimony yesterday in deposition, I did indicate that we used them as early as 1974 perhaps.

Q: The cups were used at the tournament site?

A: Yes, they were a souvenir cup sold at the tournament site.

Q: They mention -- such as this example, Exhibit 3, they mention the year of the tournament and perhaps a picture of the facility, the auditorium, and refer to the tournament itself?

A: This particular one does, yes, sir.

Q: The other cups you're talking about were cups that were used like as a sort of souvenir at and during the tournament time?

A: Yes. There were cups used at and during the tournament time and subsequently IHSA has produced and distributed cups apart from the tournament as a merchandise item that is distributed through our office.

Q: Are they cups that refer to the tournament or the IHSA?

A: Both. There are cups that refer to March Madness and others that refer to IHSA.

Q: Those are sent to people who are interested in obtaining those cups perhaps as a souvenir of the Illinois high school tournament?

A: Who are interested in them in that respect or who are interested in high school sports and see this as a unique piece of memorabilia they would like to maintain.

Q: You mentioned a book about the tournament. It's a historical book about the high school basketball tournament?

A: Yes, March Madness, entitled "The History of High School Basketball in Illinois". I think that's the subtitle.

Q: Are those sold directly to interested people by the IHSA?

A: They are today. When the book was published, they were initially sold through retail outlets in a typical fashion that a publication might go on the marketplace. They were also sold at the tournament site and subsequently by mail order.

Q: They were sold principally at book stores in Illinois?

A: That would be fair to say.

Q: As I understand, the first time you used March Madness on a piece of apparel or clothing was probably in around the 1990 time frame or a little before that?

A: No. The first time March Madness appeared on apparel would have been uses at the site of our state tournament or by retailers in the community of our state tournament back in the 1980's. The first time IHSA itself marketed merchandise at the

tournament site would have been, let me trace it back here, approximately 1983 or 1984.

Q: And that apparel, I think you said, was sold at the tournament site or in stores in the Champaign-Urbana area? Those are the first ones that you made?

A: Yes, they were.

Q: I think you said you used March Madness on towels and banners and the like?

A: I think I said towels. I don't recall saying banners. They have been used on banners most recently, but I don't think I said that.

Q: You started that in approximately 1994?

A: March Madness, I believe that was first used on towels — it may have been 1993, close to 1994.

Q: Were those sold at the tournament site?

A: Yes, but also distributed apart from the tournament site.

Q: To stores in the city area around where the tournament was held?

A: No. They were distributed through the association offices. I don't believe those towels were ever a retail market item.

Q: You say the "association offices". You're talking about in Bloomington?

A: Yes, the Illinois High School Association.

Q: The video cassette you mentioned that uses March Madness was a video cassette about the Illinois High School basketball tournament?

A: Yes, it was.

Q: Was that kept by the association in Bloomington and sold there or was it sold at the tournament site or what?

A: It was sold at the tournament site, it was sold by and through the producer, Kost Broadcast Sales in Chicago, it was sold through the association's office in Bloomington and currently that's where all remaining copies reside and are now sold only by the association either through mail order or when taken to a given location for sale.

Q: Did you say that videotape was first sold in about 1988?

A: Yes.

Q: You mentioned sweatshirts, pins, caps and the like that bear March Madness. Those are of more recent origin, aren't they? They date in the nineties sometime?

A: Yes, going back to 1991 or so with pins and caps and those kinds of items.

Q: Were the sweatshirts, pins and caps also sold at the tournament site?

A: Yes.

Q: Were they sold in local stores in the Champaign-Urbana area?

A: No, none of the merchandise produced by the association was sold in those local venues.

Q: So if you didn't sell it, you took it back to Bloomington and people could order it if they wished; is that correct?

A: In fact, the programs for the tournaments, I believe, contained mail order information for that kind of merchandise.

Q: You, I believe, licensed approximately 10 or 11 other state associations to use the mark March Madness?

A: We have licensed, to my recollection, 11 state high school associations in a variety of parts of the country to utilize March Madness.

Q: Those licenses were mostly executed in mid to late 1995?

A: That's correct.

Q: And in those licenses, you have authorized the state, the other state association, whatever it is, to use the term March Madness provided they use it in connection with their tournament at their tournament site?

A: Yes. We have licensed them to use it for their event which is a basketball event and its license is to allow it to be used for the promotion and marketing of the event. It is not a license that lets them do other things.

Appendix B

Q: The written licenses that you have with 10 or 11 state associations are for at term of 3 years each?

A: That's correct.

Q: And you charge them $10.00 for the 3 years?

A: That's correct.

Q: You mentioned that you had a web site. When was your web site set up?

A: The IHSA web site went online on January 15, 1996.

Q: Your license to PepsiCo was executed in December of 1994?

A: Yes, after an extended time period of trying to develop it, but that was its culminating date.

Q: Actually on that license, if I recall correctly, it is the entity March Madness LLC that is the licensor?

A: Yes, that's correct.

Q: Has that license been assigned to the IHSA?

A: Yes, it has.

Q: And that license covers soft drinks related to basketball?

A: It covers the retail marketing of PepsiCo soft drinks in a basketball formatted promotion.

Appendix B

Q: Before — excuse me. You mentioned a license to Wilson and I think that covers basketballs and perhaps some apparel items, does it not?

A: Basketballs, apparel and other basketball memorabilia or paraphernalia.

Q: That license was executed in early 1996?

A: The final signing of the document was in early 1996 after the goods were already in production, but an agreement had been struck in mid-fall of 1995.

Q: Are your licenses to Wilson and PepsiCo, which I think came in early 1996 and very late 1994 respectively, are those licenses — do they permit the use of March Madness in a context other than in connection with the Illinois high school basketball tournament or the Illinois High School Association?

A: They are licenses for use of the mark March Madness in connection with basketball. They are not restricted in any way to the Illinois High School Association tournament.

Q: Does the IHSA have a registration from the United States Patent and Trademark Office for the mark March Madness for use in connection with the service of sanctioning, supervising and regulating high school basketball tournaments?

A: For the term March Madness?

Q: Yes.

A: IHSA has a license for the mark America's Original March Madness that states that purpose.

Q: Do you have a federal trademark registration for March Madness in connection with the service or services of sanctioning, supervising and regulating high school basketball tournaments?

MR. YOUNG: Your Honor, I think this is going beyond the scope of the testimony that you have requested.

THE COURT: Overruled.

A: No. We simply have the common law and historical use rights that have been well established.

BY MR. KRAAI:

Q: Are there any other uses which I have not asked you about that you recall?

A: None that I recall. I think you've covered the ground pretty well.

Q: You mentioned — my colleague reminded me — you mentioned radio and television broadcasts in which March Madness was used. Those were broadcasts of the Illinois high school basketball tournaments, were they not?

A: Yes, those were broadcasts of the tournament, tournament games.

Q: Was the PepsiCo license that you got in December of

1994, or that March Madness LLC got in December of 1994, was that the first time that you licensed somebody to use the mark March Madness in some context other than in connection with the Illinois High School Association or its basketball tournament?

A: It was not the first attempt we had made to do so, but it was the first success that we had.

[Page 41, line 17 to Page 43, line 4]

BY MR. KRAAI:

Q: Is it the position of the IHSA that the NCAA may use March Madness in connection with its tournament only if permission is secured from the IHSA?

A: Well, it's our position that — in fact, this was a part of other discussions — that we agreed that NCAA could utilize the term in connection with its tournament, with its promotion, with the media uses, journalistic uses, etcetera, but not in a commercial sense without license.

Q: So your position is that the NCAA may use March Madness in connection with its tournament only if it secures appropriate permission from the Illinois High School Association?

A: If it's going to be utilized in any commercial sense, yes. IHSA is not seeking to interfere with journalistic uses of the mark, but commercial uses. For basketball, we believe we hold rights to and those rights should be licensed.

Appendix B

Q: Is it IHSA's position the use by the IHSA of March Madness in connection with its high school basketball tournaments and the use by the NCAA in connection with its NCAA tournament can co-exist together without confusion?

A: As I understand it, the issue at stake in the trademark matter is one of single ownership, clear single ownership, and if IHSA is clearly identified as owner, then that issue can be resolved.

Q: If I understand correctly what you've just said, the two uses by the NCAA and IHSA could in fact co-exist without confusion provided that the IHSA gives the NCAA a license or permission to use March Madness in connection with the NCAA tournament?

A: The issue is not one of confusion of product. The issue is one of confusion of ownership. The mark March Madness is owned for basketball by the Illinois High School Association and we believe, with that clarification and licensed use, confusion will not exist to the issue of ownership and that's what trademark is about as I understand it.

Q: So the issue is who owns the mark; is that correct?

A: Absolutely. I think — well, that was nonadmissible material, but that was clarified in that letter as well.

[Page 44, lines 1 to 11]

BY THE COURT:

A: Well, what the Illinois High School Association has on

the web is a home page for the organization and it includes a variety of materials about the Illinois High School Association and its programs including results, data from the various championships the association conducts, etcetera, announcements, bulletins about the organization.

Q: It's limited to your high school basketball?

A: It's focused on the Illinois High School Association and its programs and a major part of the material there relates to the March Madness basketball program of the association, yes.

[Page 47, line 10 to Page 48, line 4]

BY THE COURT:

Q: You indicated that at one time, at sometime in the past, local merchants marketed clothing?

A: Yes.

Q: Primarily in the Champaign area?

A: Yes. Since the tournament was held there for an extended period of time, local merchants did that.

Q: Was that done with your permission or by some license?

A: It was done with our knowledge, but not under any formal license.

Q: Well, I'm not quite sure what that means. Did you receive any benefit from that?

A: No, we did not.

Q: Was there a practice of notifying you in advance that they were going to do this?

A: No, there was not in those early days.

Q: So it would be a situation where you basically find out that some entrepreneur in the Champaign area decided to market clothing?

A: Yes, except when the Assembly Hall itself sold such merchandise and that was done with our permission.

[Page 50, lines 6 to 17]

BY THE COURT:

Q: You said that from your point of view, this was an issue of ownership rather than confusion; is that correct?

A: It's an issue of ownership rather than confusion of product, yes.

Q: Because you're not really suggesting that if someone were to see a product that said NCAA March Madness that they would somehow confuse that with the Illinois high school basketball tournament?

A: What we believe would happen is that when they then saw March Madness or IHSA March Madness, they would think that we were using something that didn't belong to us and in fact it's the other way around.